



Cabinet

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Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

9. FINANCIAL OUT-TURN 2008-09 (Pages 1 - 16)

Report to be circulated separately.

12. EFFICIENCIES 2008-09 (Pages 17 - 30)

Report to be circulated separately.

**22. WIRRAL'S HOUSING MARKET RENEWAL PROGRAMME 2009-10
(Pages 31 - 38)**

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WIRRAL COUNCIL

CABINET

25 JUNE 2009

REPORT OF THE DIRECTOR OF FINANCE

REVENUE OUT-TURN 2008/09

1. EXECUTIVE SUMMARY

1.1. A full review of the financial accounts for 2008/09 has now been completed. This report provides an overall comparison of the out-turn to the estimate for 2008/09 and an analysis of the major variations together with details of the reserves and provisions.

2. FINANCIAL IMPLICATIONS

2.1. General Fund Revenue Accounts 2008/09

2.1.1 Set out below is a table comparing estimated expenditure with the actual position for 2008/09. The final out-turn includes contributions to and from reserves and other accounting adjustments which are required in order to comply with the prescribed guidance, the Code of Practice on Local Authority Accounting and Reporting Standards.

2.1.2 An element of the variations results from the required adjustments and includes those due to the treatment of capital that are offset by a corresponding entry within the Treasury Management accounts. Similarly with any re-allocations of central support service charges there is no overall impact upon the total Council expenditure. The variations detailed in section 2.2 exclude these adjustments and reflect the departmental budgets as reported to Cabinet throughout the year.

	Current Estimate £000	Final Out-turn £000	Variation £000
Adult Social Services	91,206	101,024	9,818
Children & Young People	75,746	82,344	6,598
Corporate Services	5,920	5,567	(353)
Finance	16,077	16,443	366
Law, HR and Asset Management	3,156	4,721	1,565
Regeneration	43,883	47,072	3,189
Technical Services	39,202	40,785	1,583
Treasury Management	3,848	(12,883)	(16,731)
Net Overspendings	1,400		(1,400)
Merseytravel	25,311	25,311	-
Local Pay Review	4,545	2,155	(2,390)

Contribution from balances	(9,351)	(11,571)	(2,220)
LABGI grant	(1,700)	(1,725)	(25)
TOTAL EXPENDITURE	299,243	299,243	-

INCOME

Revenue Support Grant	18,015	18,015	-
Area Based Grant	29,107	29,107	-
National Non Domestic Rate	129,413	129,413	-
Council Tax Income	123,217	123,217	-
Collection Fund Surplus	(509)	(509)	-
TOTAL INCOME	299,243	299,243	-

Current Estimate	Final Out-turn
£000	£000

STATEMENT OF BALANCES

Balance as at 1 April 2008	11,115	11,115
Contribution to General Fund	(9,351)	(11,571)
Contribution from Other Reserves	6,743	8,739
Balance as at 31 March 2009	8,507	8,283

2.2. Analysis of Main Variations

2.2.1 After excluding the required accounting adjustments as outlined earlier the departmental variations were;-

Department	Overspend £000	Underspend £000
Adult Social Services	5,751	
Children & Young People	443	
Corporate Services		18
Finance		742
Law, HR & Asset Management	49	
Regeneration	** 846	
Technical Services	841	
Treasury Management		2,834
Overall Overspend	2,336	

** As per Cabinet on 10 December 2008 the Department released £230,000 of reserves which were agreed to partially offset this overspend.

2.2.2 The main departmental variations were :-

	Overspend £000	Underspend £000
Adult Social Services		
Community Care	2,000	-
PCT related debts cancelled	1,807	-
Non-residential charges	900	-
Efficiency savings delayed	662	-
Employees	212	-
Children & Young People		
Independent Residential Care	579	-
Employees / Vacancy Control	486	-
Children's Homes	418	-
Transport (includes home-to-school)	381	-
Use of Grants	-	1,461
Corporate Services		
No significant variations	-	-
Finance		
IT Project Development	270	-
Housing Benefit Grant and Payments	-	889
Law, HR & Asset Management		
No significant variations	-	-
Regeneration		
Service re-engineering	644	-
Income shortfall from golf and cemeteries	276	-
Technical Services		
Building Control / Land Charges income	731	-
Operational Services Division	368	-
Winter Maintenance	350	-
Highways Infrastructure Works	-	670
Treasury Management		
Increase in bad debts provision	1,100	-
Investment Income	-	2,200
Borrowing Costs	-	1,200
Capital Financing	-	400

Adult Social Services

- 2.3.1 Regular reports throughout 2008/09 highlighted potential increases in expenditure with the projections of the Director of Adult Social Services subjected to Scrutiny by both Cabinet and the Overview and Scrutiny Committees. Cabinet on 28 May 2009 agreed to the cancellation of outstanding debts relating to Primary Care Trusts and these are charged against the department. The final level of overspend is in line with the revised projections.
- 2.3.2 The main pressure continues to be within community care where increased demand together with the impact of the contractual inflation rises both contributed towards the overspend. Actions have been taken as part of the 2009/10 budget to deliver savings in this area of activity.
- 2.3.3 A number of efficiencies were implemented during the year, such as staffing restructures, and consequentially the full benefits were not realised in 2008/09 but should be for 2009/10.
- 2.3.4 In terms of the anticipated improvements in non-residential charges the increased contributions from service users did not meet expectations. This was affected by the economic situation as contributions reflect property values and assessed income. The situation is being monitored in 2009/10.

2.4 Children & Young People

- 2.4.1 The measures that were put in place by the Director during the financial year resulted in the projected overspend that was highlighted in June 2008 of around £3 million being largely contained. This was essentially achieved through directing a range of grants towards the pressure areas in order to obtain maximum benefit from the available resources.
- 2.4.2 The provision of care services for children is a volatile area of the budget. It was planned that the year would see a reduction in the numbers placed with the Authority. However, the impact of the Baby P case increased awareness and the planned managed reduction in placements did not materialise. The resultant impact was seen within the Independent residential care and Children's home budgets. As part of the 2009/10 budget additional resources were allocated to support the service.
- 2.4.3 The department faced an ambitious service re-engineering programme in the year which allied with the existing vacancy control targets was not fully achieved during the year. Whilst benefits will continue into 2009/10 this again presents a challenge in the new financial year.
- 2.4.4 Transport, and particularly home-to-school transport, was regularly identified as being under pressure to remain within the allocated budget. The impact of the rising demand, the volatility in the energy market and the need for employee support all contributed towards this overspend.

2.5 Corporate Services

2.5.1 During the year financial monitoring reports highlighted no variations.

2.6 Finance

2.6.1 The improvements in respect of the administration and payment of Housing and Council Tax benefit to eligible recipients continue. The increasing numbers of recipients and the improved systems and controls in place have increased the Government Grant.

2.6.2 The benefit process is supported through the increasing availability of access channels although the main access remains via the One Stop Shops. This, and the improved technology, which offers further reductions in administration costs has enabled savings to continue to be made.

2.6.3 The costs in respect of IT projects relate to a number of on-going areas of work which are primarily supporting the corporate systems and which have not been allocated as part of the support service recharges,

2.7 Law, HR and Asset Management

2.7.1 During the year the budget for this new department was established and the financial monitoring reports highlighted no variations.

2.8 Regeneration

2.8.1 The financial monitoring reports identified that the final spend would exceed the budget allocated by £0.8 million primarily as a result of a shortfall in the achievement of the Service Re-engineering savings. Progression of these was an integral part of the Strategic Asset Review and the appropriate financial benefits were incorporated within the 2009/10 budget.

2.8.2 Income generation remains a key area within the Cultural Services budget and subject to external influences. The targets remain challenging and again proved difficult to achieve with income from the cemeteries and crematorium and golf courses being below target.

2.9 Technical Services

2.9.1 Monitoring reports throughout the year identified shortfalls meeting the income targets in respect of Building Control and land charges. Cabinet agreed to a re-alignment of budgets and to additional resources being allocated for 2009/10.

- 2.9.2 In terms of highways maintenance the awarding of the new contract to an external contractor from April 2009 meant that the Operational Services Division would cease to exist at the end of the financial year. The Director sought to ensure that all issued work would be completed prior to the change and consequently if the works could not be completed the work was not programmed. Whilst this resulted in a deficit for Operational Services there was a compensatory saving within the Technical Services budget.
- 2.9.3 The increased costs in respect of winter maintenance were identified in time to address any potential overspend. In order to contain the spend as far as possible compensatory reductions were made in the highways, street lighting and coast protection programmes.

2.10 Treasury Management

- 2.10.1 The benefits from improved Treasury Management activities were regularly updated in the monitoring reports. The annual report is included on this agenda.
- 2.10.2 The more effective management of cash flow reduced the need for temporary borrowing which realised a budget saving. With further controls exercised on borrowing, and the use of maturing investments to temporarily fund spend, savings were also made on interest payments. The Council has also benefited from the increased rates offered as a result of the turbulence on the financial markets. This represented a windfall for 2008/09 and the impact of the recession resulted in the budgeted expectations from this activity being reduced. With the implications of the Capital Finance and Accounting Regulations 2008 some of the savings have been set-aside for use in future years.
- 2.10.3 The financial climate is also having an impact upon the ability of individuals to meet their financial obligations. In recognition of this the sums outstanding and due to the Council are at increased risk of not being met and this has required an increase in the provision for bad debts.

2.11 Local Pay Review

- 2.11.1 The liability to the Council to meet the on-going costs of the implementation of the harmonisation and local pay review is being back-dated to 1 April 2007. Cabinet is regularly updated as to the latest position with the exercise expected to conclude during the 2009/10 financial year. In accordance with the accounting standards, money has been set-aside in the 2008/09 accounts.

2.12 Statement of Balances

2.12.1 At 31 March 2008 the balances were £11.1 million. When Council agreed the budget for 2008/09 the projections were for £8.5 million and so the out-turn of £8.3m shows a reduction of £0.2 million. This is due to the net overspending for the year including the cancellation of PCT debts which was partially offset by an additional contribution from the Insurance Fund.

2.13 Collection Fund

2.13.1 The income of the Collection Fund was £207.7 million and the expenditure was £206.7 million:-

	£000
Wirral Precept	123,217
Police Precept	13,928
Fire and Rescue Precept	6,247
Business Rates	62,299
Adjustment to provision	<u>998</u>
	<u>206,689</u>

2.13.2 The surplus for the year of £1 million includes the recovery of the previous year deficit and results in a Collection Fund deficit of £0.4 million at 31 March 2009. Cabinet in 2008 was advised of the Wirral Council share of the deficit and provision was made in the Council General Fund to meet this cost.

2.14 Provisions and Reserves

2.14.1. At 31 March 2009 the following provisions for bad debts were made within the General Fund:-

	£000
Sundry Debtors	3,108
Community Charge Summons Costs	645
Housing Benefit	<u>4,995</u>
Total	<u>8,748</u>

2.14.2 At 31 March 2009 the following provisions were made for bad debts within the Collection Fund:-

	£000
Council Tax	6,675
Business Rates	<u>2,012</u>
Total	<u>8,687</u>

2.14.3 In addition to providing for bad debts the Council maintains provisions and reserves to meet possible future liabilities. These are analysed in detail at Appendix 1 and 2 respectively.

2.15 Insurance Fund

2.15.1 The Insurance Fund contributed a total of £5.1 million to the General Fund balance during the year with the majority of this following the annual assessment of liabilities that was presented to Cabinet in July 2008. The combined balance of the Insurance Fund and Reserve has been decreased by £1 million to £18.3 million at 31 March 2009.

2.15.2 The balance on the Fund is partly invested externally and at 31 March 2009 the market value of this investment was £1.6 million which is £0.7 million more than the cost.

2.15.3 The Insurance Fund annual report is also on this agenda.

2.16 School Balances

2.16.1 Under the Education Reform Act 1988 all primary, secondary, special and nursery schools now manage delegated budgets. At 31 March 2009 the balances held totalled £9.2 million which can only be used for schools' purposes and are not, therefore, available to support general Council expenditure.

3. STAFFING IMPLICATIONS

3.1. There are no specific implications arising out of this report.

4. LOCAL MEMBER SUPPORT IMPLICATIONS

4.1. There are no specific implications arising out of this report.

5. LOCAL AGENDA 21 STATEMENT

5.1. There are no specific implications arising out of this report.

6. PLANNING IMPLICATIONS

6.1. There are no specific implications arising out of this report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1. There are no specific implications arising out of this report.

8. COMMUNITY SAFETY IMPLICATIONS

8.1. There are no specific implications arising out of this report.

9. HUMAN RIGHTS IMPLICATIONS

9.1. There are no specific implications arising out of this report.

10. **BACKGROUND PAPERS**

10.1. Code of Practice on Local Authority Accounting in the UK – SORP 2008

10.2. Capital Finance and Accounting Regulations 2008.

10.3. Accounts and Audit Regulations 2003.

11. **RECOMMENDATIONS**

11.1 That the revenue out-turn for 2008/09 be agreed.

11.2 That the provisions and reserves be agreed.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/198/09

APPENDIX 1

GENERAL FUND PROVISIONS AS AT 31 MARCH 2009

	£000
Housing Benefit	3,453
Collection Fund	691
Group Repair	532
Highway Works	352
Energy Investment	310
Strategic Asset Review	297
Highway Maintenance	237
You Decide	220
Local Area Agreement (LAA) Network Support	200
Replacement Wheelie Bins	200
Merseyside Information Service	182
Match Funding	167
Local Development Framework	160
Equal Pay Back Pay	150
Highway Maintenance Contract	146
Other	<u>1,192</u>
	<u>8,489</u>

Housing Benefit

The Council is able to claim subsidy for a substantial proportion of Housing and Council Tax Benefit payments made to eligible claimants. This involves the submission of annual claims to the Department for Work and Pensions (DWP) that are subject to audit by the Audit Commission.

There are a number of remaining longstanding claims issues requiring final settlement with the DWP. Changes in the interpretation of legislation and subsidy arrangements may require adjustments to be made to prior years. The Council reserves the right to challenge the reasonableness of any calculations in respect of claw-back.

Collection Fund

This sum was established during 2007/08 and has been set-aside to meet the Council share of the reported deficit on the Collection Fund.

Group Repair

This sum relates primarily to funding towards the 'Triangles property renovation scheme'. Residents and landlords also contribute to the cost of the works, with the balance being utilised to support future renovation schemes.

Highways Works

This is a contingency for the writing-off of irrecoverable debts that include rechargeable works, road reinstatements and outstanding debtors to the Operational Services Division.

Energy Investment

This sum relates to the balance from a policy option relating to energy efficiency measures which are anticipated to be completed during the 2009/10 financial year.

Strategic Asset Review

This provision relates to decommissioning costs and a review of administration buildings likely to be incurred relating to the implementation of the Strategic Asset Review.

Highway Maintenance

This provision has been set-aside to improve footpaths in, and around, housing estates as part of meeting the overall risk management strategy.

You Decide

This sum relates to amounts committed in relation to the participatory budgeting scheme introduced during 2008/09 and will be expended during 2009/10.

Local Area Agreement (LAA) Network Support

This provision relates to sums set aside to fund the development of the Local Area Agreement. The provision will support both the Authority and voluntary network activities in delivering the Local Area Agreement.

Replacement Wheelie Bins

This provision forms part of the overall strategy to replace wheelie bins as they become subject to deterioration.

Merseyside Information Service

To be used to cover costs arising from the winding up of this organisation. The provision will be used when the accounts for the services have been finalised.

Match Funding

This is required to match a series of commitments including artistic and cultural developments, golf events and the Hoylake and West Kirby improvement plan.

Local Development Framework

This represents the sum remaining for the implementation of a number of studies that were approved by Cabinet on 15 March 2007.

Equal Pay Back Pay

The Authority has identified pay inequalities among its employees and back pay has subsequently been paid to individuals who have been treated unfairly. This provision represents the cost of those claims that have been settled after 31 March 2009.

Highway Maintenance Contract

To meet the costs associated with the tendering exercise for the highway maintenance (HESPE) contract.

APPENDIX 2

GENERAL FUND RESERVES AS AT 31 MARCH 2009

	£000
Housing Benefit	13,999
School Balances	9,350
Debt Restructuring and Financing	7,022
Working Neighbourhoods Fund	5,524
Local Pay Review	5,490
Minimum Revenue Provision	4,400
Schools Capital Schemes	4,211
Supporting People Programme	2,139
Public Finance Initiative Revenue	1,834
IT Reserve	1,683
Connexions Partnership Pension	1,380
Former HRA Contingency	1,148
Schools Contingency	570
Dedicated Schools Grant	419
Matching Fund	374
One Stop Shop IT Network	373
Heritage Fund	325
Primary Care Trust – Physical Activities	300
Schools Harmonisation	300
Sports Centre contingency	300
Summer Term Reserve	279
Home Adaptations	233
Children’s Care Services Review	223
Schools Service IT Reserve	204
Contact Point	200
Other	<u>4,241</u>
Total Reserves	<u>66,521</u>

Housing Benefit

There is an ongoing issue relating to the previous Housing Benefit Supporting People arrangements, the potential claw-back of subsidy against recent years and sums set-aside for the further development of the Integrated Benefits and Council Tax IT system that was implemented during 2006.

Schools Balances

These reserves are earmarked for use purely by the schools. The balance consists of: -

	£000
Schools Underspending	10,589
Schools Overspending	<u>(1,239)</u>
	<u>(9,350)</u>

Debt Restructuring and Financing

To cover the premiums associated with the early repayment of debt, future interest rate increases and costs associated with the termination of leases.

Working Neighbourhoods Fund

Working Wirral resources to commission activity to deliver the Investment Strategy priorities of tackling worklessness, improving skills levels and increasing enterprise, business growth and investment. Significant requests for funding were received, requiring prioritisation of the applications which was finalised in October 2008.

Local Pay Review

The amount identified, and set-aside, to fund the costs of implementing proposals to harmonise and simplify working arrangements as well as meeting the requirements arising from the implementation of equal pay legislation.

Minimum Revenue Provision (MRP)

The Capital Finance and Accounting Regulations 2008 introduced new methods for calculating the MRP. The reserve has been established to offset any resultant increase in costs.

Schools Capital Schemes

The reserve set aside for the delivery and completion of capital schemes within schools.

Supporting People Programme

Permission has been granted from the Department for Communities and Local Government to retain any administration and specific programme grant for use in future years. This reserve is to be spent on a number of initiatives to support people in need to live in their own homes.

Private Finance Initiative (PFI) Revenue

A Government Grant supports the PFI Scheme and the Council has agreed that the surplus grant received in the early years should be carried forward to offset PFI costs in future years.

IT Reserve

For the expansion and development of ICT services in the implementation of the programme agreed as part of the IT Strategy.

Connexions Partnership Pension

The Council along with other Councils on Merseyside has agreed to commission Greater Merseyside Connexions Partnership for the delivery of information services to young people and provide a financial guarantee for the potential unfunded pension liabilities. The Partnership is an admitted body of the Merseyside Pension Fund and the Wirral share of the guarantee has been assessed as £1.38m (apportioned on population across Merseyside).

Former HRA Contingency

There are a number of outstanding liabilities that may arise in later years relating to the former Housing Revenue Account. These include outstanding contract retentions, rechargeable jobs and potential insurance claims. The reserve also provides for any other unforeseen liabilities relating to the HRA that may arise in the future.

Schools Contingency

Created to cover formula errors that would have been unknown at the time schools budgets were set. Such adjustments may result in an additional budget being allocated from this reserve. Also includes £200,000 for meeting 50% of the increased insurance costs to schools.

Dedicated Schools Grant

The additional Dedicated Schools Grant that was received less the 2007/08 overspend on the schools budget. This will be included in the 2009/10 formula distribution to schools.

Matching Fund

The aim is to provide funds for any special initiatives that may arise involving grants, which will need to be matched by the Authority.

One Stop Shop IT Network

To develop the Information Technology systems within the One Stop Shops.

Heritage Fund

To provide funding for individuals, associations and communities to enhance the recording, preservation and protection of the urban, maritime and rural heritage of Wirral.

Primary Care Trust – Physical Activities

Funding from the primary care trust for health related schemes that will occur in 2009/10. These will take place in Council sports centres and be organised by Sport Development.

Schools Harmonisation

To fund the potential costs associated with implementing Phase 2 of the local pay review which relates to those employees within schools.

Sports Centres

To assist in developing the programme for youth participation in sporting activities.

Summer Term Reserve

To cover the cost of advisory teachers in the summer term in the event of schools not deciding to purchase services.

Home Adaptations

To facilitate a programme of minor adaptations to improve standards of living.

Children's Care Services Review

To fund costs of the review of Children's Social Care services as a result of the Baby P case. This involves a detailed review of all activity and aims to identify areas where improvement is needed to ensure that children in Wirral are fully protected.

Schools Service IT

To support the service in the event of demands for IT support by schools changing in future years.

Contact Point

The reserve is the carrying forward of part of the Standards Fund grant from 2007/08 to fund the future Contact Point programme.

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WIRRAL COUNCIL

CABINET

25 JUNE 2009

REPORT OF THE DIRECTOR OF FINANCE

DELIVERING EFFICIENCY AND MEASURING AND REPORTING VALUE FOR MONEY GAINS IN LOCAL SERVICES

1. EXECUTIVE SUMMARY

- 1.1 This report recommends approval of the submission of the Value for Money Gains National Indicator 179 (NI179) which is required to be with the Department for Communities and Local Government (DCLG) by 24 July 2009. NI 179 is the successor to the Annual Efficiency Statement (AES).

2. INTRODUCTION

- 2.1 The Comprehensive Spending Review 2007 (CSR07) released in Autumn 2007 contained a number of value for money targets across the public sector. In October 2007 the DCLG published *Delivering Value For Money in Local Government: Meeting the Challenge of CSR07* which was also known as the VFM Delivery Plan. This outlined the basic measurement and reporting criteria for value for money gains and highlighted differences from the previous Annual Efficiency Statement process.
- 2.2 As part of the CSR a new and significantly reduced number of performance indicators was introduced. These included NI179 which was defined as *Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year*. In line with the Government policy of reducing the administrative burdens on local government the DCLG no longer requires local authorities to produce an Annual Efficiency Statement (AES). Summarised NI179 data is submitted through a website based system called the Data Interchange Hub. An estimate for the year is required each October with the actual figure for the year submitted the following July.
- 2.3 CSR07 set a target for local government, to achieve, relative to the 2007/08 baseline, total annual efficiency gains of at least £4.9 billion by 2010/11. This equates to cash releasing gains of 3% per annum and unlike the previous system there is no scope to include non-cash releasing items. The cash releasing efficiencies are gains where there is a direct financial saving or benefit, with money released that could be spent elsewhere or recycled within a service to deliver better outcomes.

- 2.4 Whilst every council was required to achieve efficiency savings it was not the intention that efficiencies cut services for users but that they were found by operating the business using a best business practice approach. Under CSR07 there is no individual target for each local authority but the requirement is for local government as a whole to produce 3% annual cash releasing gains. DCLG has however provided details of how to calculate the baseline expenditure.
- 2.5 In December 2008 the DCLG issued the Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) (No. 2) Regulations. These require local authorities to include efficiency information on Council Tax bills and within the accompanying Council Tax booklet from the 2009/10 billing round. This information is based upon the NI179 submission.

3. ASSESSING EFFICIENCY GAINS

3.1 The Baseline expenditure

- 3.1.1 The Baseline expenditure was calculated from the 2007/08 local authority net revenue and capital expenditure forecasts excluding Schools and Benefits expenditure. A share of Passenger Transport Authority and Waste Disposal Authority budgets, based upon the proportionate share of the levies, is included. Under the new efficiency regime capital expenditure is now included within the Baseline.
- 3.1.2. The Wirral Baseline spend was calculated at £351.2 million producing an efficiency target of £10.5 million for 2008/09. The DCLG also allows an alternative calculation based upon the 2007/08 outturn. For Wirral the outturn was £350.7 million which has only a marginal impact on the annual target.
- 3.1.3 In accordance with the projections in CSR07 the cumulative efficiency targets for future years are 6.1% of the Baseline for 2009/10 (equates to £21.4 million) and 9.3% for 2010/11 (equates to £32.7 million).

3.2 Analysis of efficiency gains

- 3.2.1 NI179 does not require efficiency gains to be analysed across prescribed headings as was the case with the Annual Efficiency Statement nor is there a prescribed format for providing any supporting information. The Appendix contains the analysis for Wirral which is broadly in line with the AES format using departments rather than service categories.
- 3.2.2 Efficiency gains from the Passenger Transport and Waste Disposal Authorities have been apportioned in accordance with the levy.

3.3 Assessing efficiency gains

3.3.1 The definition of ongoing cash-releasing gains relates to raising productivity and enhancing value for money. To be eligible, measures must evidence an improvement of outputs compared to inputs and not result in the deterioration in the overall effectiveness of the service. Gains can occur through:-

- Reduced inputs for the same or improved outputs.
- Reduced unit costs to meet increased demand for service.
- Increased demand for services and better income collection.
- Reallocation of inputs from a low priority to a high priority area so that the overall service effectiveness for a particular client group improves.
- Asset optimisation and the sale of surplus, formerly operational assets.
- Withstanding the impact of inflation.

3.3.2 Activity not meeting the definition of ongoing cash-releasing gains include:

- Improvements in service quality.
- Any action leading to a reduction in overall effectiveness of a service.
- Imposition of new or increased charges to the public or business.
- Reclassification of activities not changing either inputs or outputs.
- Transfer of costs and subsidies to other public sector organisations.
- Arbitrary cuts in payments to the Voluntary and Community Sector.

3.3.3 Eligible gains need to be ongoing for at least two years after first implemented and represent the potential to release resources for use elsewhere. Although improvements to service quality may be beneficial to Council Taxpayers, these cannot be counted. The NI179 calculation should be certified, and approved, by the Leader, the Chief Executive and the Chief Financial Officer of the Council. The DCLG expects that the principal measure of scrutiny will be through internal audit and assurance processes. However gains may be subject to external assessment by the Audit Commission.

3.4 Key dates in delivering and reporting

3.4.1 The timetable relating to NI179 reporting for 2008/09 is:-

Date	Action
24 October 2008	Authorities submit forecast cumulative gains for 2008/09
24 July 2009	Authorities submit actual cumulative gains
September 2008	Audit Commission report findings as part of CAA

4. NATIONAL INDICATOR 179 2008/09 FORECAST

4.1 The basic principles within the NI 179 framework are:-

- When setting the annual budget the Council must identify actions to improve efficiency and quantify the estimated expected gains;
- After the end of the financial year the Council must identify the impact of the actions taken for the year in question.
- Claimed efficiency gains will only be valid if service quality has been maintained.

4.2 The forecast for 2008/09 of £16,067,000 was submitted to the Data Interchange Hub in October 2008. This is substantially above the baseline requirement as it comprised cash releasing efficiencies within 2008/09 plus a large element relating to previous efficiencies.

4.3 In recognition of the significant gains made within the 2004 Spending Review period the DCLG allowed authorities who exceeded the 2004 cash releasing efficiencies target to carry forward the amount of the excess above the target into the CSR07 period.

4.4 The cash releasing efficiencies for 2008/09 were based upon those included within the 2008/09 revenue budget adjusted for those items (e.g. increases in fee income) which although producing benefits did not meet the defined criteria under NI179. The figures were refined in line with the predicted likelihood of achievement as per the monthly summary financial monitoring statement for September 2008.

4.5 In determining the impact upon service delivery the Authority has used available performance data. However, the new national indicator set from 2008/09 means that direct comparability between years has not always been possible.

5. NATIONAL INDICATOR 179 ACTUAL 2008/09

5.1 The Appendix sets out the Council strategy and provides details of the efficiencies achieved during the year. It also explains the linkages with partner agencies both through the Local Area Agreement, and through the provision of joined up customer services. It states the Council commitment towards improving its priority areas as well as keeping Council Tax at affordable levels with service re-engineering the key to identifying resources for re-allocation.

5.2 The actual efficiencies for 2008/09 were £17,589,100. These are above the forecast figure and also well ahead of the target of £10.5 million essentially because the first year performance was boosted by the inclusion of the surplus efficiencies from the previous efficiency regime.

5.3 The key areas and issues for 2008/09 were:-

- a. The various budget options included efficiencies from working with others as well as savings packages that encompassed increased income or the use of Government grants. The latter items, and some of the savings identified, were outside the scope of eligible efficiencies.
- b. Although inflationary increases were awarded in the year these did not always cover contractual increases including agreed pay awards.. Therefore to ensure the same level of outputs efficiencies were required from other areas.
- c. Continuing progress on Risk Management and Treasury Management initiatives resulted in significant resources being released during the year.
- d. Information received from Merseytravel and the Merseyside Waste Disposal Authority is incorporated. Final details are awaited and will be included if received before the submission date.

6. FINANCIAL AND STAFFING IMPLICATIONS

- 6.1 The calculated target for Wirral was to achieve efficiency savings of £10.5 million for 2008/09.
- 6.2 The actual for 2008/09 shows cash releasing efficiency gains totalling £17.6 million. This comprises allowable gains of £8.1 million brought forward from the previous efficiency regime and £9.5 million of new allowable gains.
- 6.3 There are no staffing implications arising directly from this report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

- 7.1 There are none arising directly from this report.

8. HUMAN RIGHTS IMPLICATIONS

- 8.1 There are none arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no specific implications arising from this report.

10. LOCAL MEMBERS SUPPORT IMPLICATIONS

- 10.1 There are no specific implications for any Member or Ward.

11. LOCAL AGENDA 21 IMPLICATIONS

11.1 There are none arising directly from this report.

12. PLANNING IMPLICATIONS

12.1 There are none arising directly from this report.

13. BACKGROUND PAPERS

13.1. Delivering Value for Money in Local Government: Meeting the Challenge of CSR07 – DCLG October 2007.

13.2. Measuring and Reporting Value for Money Gains – DCLG October 2008.

13.3. Council Tax and Non Domestic Rating Demand Notices England Amendment Regulations – DCLG December 2008.

14. RECOMMENDATIONS

14.1. That the Value for Money Gains National Indicator 179 submission be approved.

14.2 That the Director of Finance be authorised to make any amendments to include information received from Merseytravel and the Merseyside Waste Disposal Authority prior to submission.

14.3 That a further report be brought to Cabinet on the 2009/10 NI 179 estimate which will be due for submission in October 2009.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/197/09

WIRRAL COUNCIL

NATIONAL INDICATOR (NI 179) – 2008/09 ACTUAL

Strategy

Council strategy is directly influenced by the citizens of the Borough and driven to improving customer services and customer access. This is being achieved through working with partner agencies in the provision of services, the continuing enhancement of the One Stop Shops, Call Centre and the developing of web-based channels of service delivery. The progress made by the Council was recognised by the Audit Commission in their Access to Services Review 2008. The conclusion of a good service with promising prospects for improvement being the highest rating so far awarded.

The Council is committed towards improving the identified priority areas as well as keeping Council Tax at affordable levels. The use of available resources is being maximised and targeted towards key front-line services through the re-engineering of services that was introduced in 2004. Great importance is placed upon partnership working. A new multi-partner Local Area Agreement commenced during 2008/09, which included a shared Vision of Place for Wirral. With the Local Strategic Partnership setting the overall vision opportunities are taken within specific service areas. This includes Adult Social Services and joint commissioning with the health sector and the relationship with Wirral Partnership Homes following the transfer of the Council housing stock in 2005. Again the Audit Commission recognised the progress being made as in January 2009 the Council increased from adequate performance to performing well in the annual Use of Resources assessment.

Actions taken during 2008/09

In meeting the Indicator target the Council expanded upon the actions taken in previous years and achieved further efficiencies through the following actions which have helped keep the Council Tax affordable and improve customer services.

The overall Wirral Council Tax for 2008/09 represented a rise of 3.66% (the Wirral Council element was 3.5%) being below the prevailing rate of inflation and below the 5% maximum set by the Government. This saw further sums allocated to the priority areas including £8.9 million to schools, £0.4 million to support matched funding investment in Wirral and the development of the new, Local Area Agreement, resources allocated to local communities as part of participatory budgeting through the Area forums and the You Decide initiative and money for a range of policy options tackling crime, environmental and social issues.

Inflationary increases of 2% for pay, prices and contracts were built into the 2008/09 estimates. The agreed pay award was in excess of this figure and departments contained this additional sum within the budget allocated. Similarly a number of services such as waste and social care saw increases beyond the inflation provision resulting in the need to deliver efficiencies to maintain existing services within the resources allocated. The demands for care continue to grow from an increasingly elderly population, from increasing numbers with complex needs and for looked after children. The latter area received a consequential increase in referrals following high profile issues in other parts of the country. Whilst additional resources were input into all of these areas working with external agencies, particularly in respect of adults, delivered efficiencies to maintain services.

A series of cost reduction options totaling £13.4m were agreed as part of the 2008/09 budget although not all of these qualified under the 'efficiency' heading and the sums included reflect that. Included are the consequences of capital investment into Care Services that realise future revenue savings through a reduction in Out-of-Borough placements, the energy efficiency investment programme which whilst producing efficiencies also benefited the Council by off-setting the continued increases in energy prices and more specific Invest-to-Save schemes within Cultural Services. The Procurement Unit continued to support the delivery of efficiencies through purchasing that was enhanced with the implementation of IT changes and joint working across both Merseyside and the North West region.

Information received from both Merseytravel and the Merseyside Waste Disposal Authority regarding the apportionments to Wirral is incorporated although the final details are awaited.

The Council continues to secure benefits from the release of assets for disposal through asset management and also through pro-active risk and insurance claims management. The latter continued to produce significant savings in previous years with further reductions realised in 2008/09 in releasing both sums set-aside for potential claims as well as for annual premium costs.

Significant savings were made in the year from Treasury Management activities. Proactive management in this area of expertise resulted in savings from the virtual elimination of temporary borrowing costs. However whilst benefitting the Authority and Council Taxpayers many of the Treasury Management savings are not eligible for inclusion within the indicator. The Local Government Chronicle Awards 2008 saw the Council officer responsible receive the Investment Officer of the Year Award.

Department Area of expenditure	Value of ongoing cash-releasing value for money gains since the start of 2008/09 (£)	Further ongoing cash-releasing value for money gains achieved in 2009/10 (£)	Further ongoing cash-releasing value for money gains achieved in 2010/11 (£)	Cumulative ongoing cash-releasing value for money gains from 2008/09 to 2010/11 (£)	
Adult Social Services	2,420,600	-	-	2,420,600	
<p>Key actions undertaken to achieve efficiency gain: The continuing changes in the provision of domiciliary care achieved a net savings of £700,000 from the expansion of the home assessment and reablement team (HART) and a further £500,000 from the take up of assistive technology care by 533 service users in the year. The more efficient use of support services produced a further £400,000 of efficiencies by the re-organisation of the finance and performance branch. By working with the private sector gains of £130,000 from renegotiated care contracts were achieved. Reassessments and use of supported living arrangements rather than residential care produced efficiencies of £250,000 which were complemented by a further £170,000 net saving through re-provision from an in-house residential home to providing the service via the private sector. The level of pay inflation built into the budget for 2008/09 an efficiency gain of £270,600.</p> <p>Quality crosscheck notes: Key areas where the time taken from referral to completed assessment increasing from 76.4% in 2007/08 to 78% for 2008/09. People supported to live independently through Social Services (Adults) reached 2,842 against target of 2,186. Carers receiving needs assessment or review and a specific carers service, or advice and information 25.46% versus target of 18.0%.</p>					
Children's and Young People	2,068,700	-	-	2,068,700	
<p>Key actions undertaken to achieve efficiency gain: The reprovision of services through working with the private sector realized a transfer from in-house provision which realized efficiencies of £525,000. In terms of reviewing support the review of operational support and Family Support Teams released efficiencies of £190,000 and £173,000 respectively whilst the rationalisation of the planning and resources support service released a further £421,000. Reductions in admin support and in contracts support allowed efficiencies of £119,100 to be achieved. The reconfiguration of the behavioural review programme generated £200,000 of efficiencies,</p>					

	<p>Re-organising Youth offending services provided an additional £70,000 and a review of Social Welfare and play services commissioning provided savings of £123,000. The level of pay inflation built into the budget for 2008/09 an efficiency gain of £247,600.</p> <p>Quality crosscheck notes: The progress made in transferring looked after children from the most expensive care through to lesser costing care continued. However, events elsewhere in the country in the latter part of the year resulted in an additional number of referrals such that the progress made was not sustained to the year-end.</p>			
Regeneration (including Culture)	284,700	-	-	284,700
	<p>Key actions undertaken to achieve efficiency gain: A number of efficiencies within this area are not eligible under the criteria as they involve either reductions in service provision, increases in income or the use of grant income from other public bodies. Efficiencies were obtained by better use of IT (£28,700), a review of the finance function (£27,500) and the reorganization of supported housing (£14,300) The level of pay inflation built into the budget for 2008/09 an efficiency gain of £214,200.</p> <p>Quality crosscheck notes: The year saw the refurbished Oval sports Centre and the new Floral Pavilion Theatre & Conference Centre opened with the latter winning a Best practice award at the Northwest Regional Construction Awards in 2009.</p>			
Technical Services	1,105,000	-	-	1,105,000
	<p>Key actions undertaken to achieve efficiency gain: The Environmental Streetscene Services contract which commenced in August 2006 continues to be further progressed through close working with the appointed contractor. A review of the waste contract and of contractual management released £186,600 whilst recycling rates continued to improve. The limited inflation awarded to the waste contract meant that efficiencies of £257,200 were generated to maintain the service level. Reviews of highways maintenance produced efficiencies of £358,000, whilst the ongoing rationalization of support services and administration processes through the use of IT contributed a further £80,000.</p>			

	<p>Reviews of traffic management, health and safety and building and control functions released efficiencies of £115,000. Extensions to streetscene contracts and energy conservation initiatives provided a further £35,000 of efficiencies. The level of pay inflation built into the budget for 2008/09 an efficiency gain of £73,200.</p> <p>Quality crosscheck notes: The % of household waste sent for recycling increased from 20.8% in 2007/08 to 22.6% in 2008/09. In terms of highways the number of killed or seriously injured road casualties decreased from 171 in 2007/08 to 145 in 2008/09</p>			
Corporate Services, Law, HR and Asset Management	392,500	-	-	392,500
	<p>Key actions undertaken to achieve efficiency gain: Essentially around support a series of reviews were undertaken within Corporate Services to achieve efficiencies. These included the areas of strategic development staffing (£75,000), restructuring administration functions (£60,000), a similar exercise reviewing central services (£50,000). A restructuring the tourism and marketing and transformational change functions released £60,000 and £30,000 respectively whilst changes to the management and operation of legal and democratic services released a further £40,000. The level of pay inflation built into the budget for 2008/09 an efficiency gain of £77,500.</p> <p>Quality crosscheck notes: The nature of these areas is essentially the provision of 'back-office' support to front-line services.</p>			
Finance Department	1,550,400	-	-	1,550,400
	<p>Key actions undertaken to achieve efficiency gain: The continuing review of Housing and Council Tax functions and improvements in controls resulted in efficiencies of £600,000. The creation of the Corporate IT Unit was further developed through increased integration and this resulted in £100,000 of savings. As the IT investment of previous years is developed additional benefits are achieved and the benefit of integrated systems provided further cash releasing efficiencies of £380,000 through reduced staffing and contract costs. A further £200,000 was achieved through systems support and new technology savings and £80,000 from</p>			

	<p>reductions in call centre staffing.</p> <p>The content of the Corporate Procurement Strategy remains under annual review and the Procurement Unit continues to support departments in the delivery of efficiencies. This includes the use of e-auctions and the national solution operated by the Office of Government Commerce Buying Solutions.</p> <p>The level of pay inflation built into the budget for 2008/09 an efficiency gain of £190,400.</p> <p>Quality crosscheck notes: Despite the economic downturn Council Tax collection continued to improve with the 2008/09 rate of 96.7% slightly above the 2007/08 rate of 96.6%. The Audit Commission review of Access to Services rated the Council as good with promising prospects for improvement whilst their annual assessment of Use of Resources saw an improvement to performing well from adequate performance.</p>			
Miscellaneous	746,300	-	-	746,300
	<p>Key actions undertaken to achieve efficiency gain: Further improvements in the cash flow forecasting resulted in a permanent reduction in the resources allocated towards the need for temporary borrowing allowing efficiencies to be delivered and re-invested into other services. A total of £550,000 being made available. The proactive approach to insurance and claims management produced further efficiencies. The property insurance retendering produced like for like savings of £101,800. This was then reinvested to provide increased coverage of areas previously not catered for such as flood damage from burst pipes.</p> <p>The year saw an increased focus on the management of the asset base which will deliver substantial efficiencies in future years. During 2008/09 the sale of surplus assets generated capital receipts of £1.8 million. Equating this to the cash flow savings this amounts to £94,500.</p> <p>Quality crosscheck notes: The improvements in Treasury Management received external recognition by the Local Government Chronicle as Wirral received the investment Officer of the Year Award 2008.</p>			
Merseyside Waste Disposal Authority	0	-	-	0
	<p>Key actions undertaken to achieve efficiency gain: The efficiency information is awaited from Merseyside Waste Disposal Authority.</p>			

	Quality crosscheck notes: None.			
Merseyside Transport Authority	872,900	-	-	872,900
	Key actions undertaken to achieve efficiency gain: The provisional figures were received previously from Merseytravel and the supporting information is awaited.			
	Quality crosscheck notes: None.			
Brought Forward from SR04	8,148,000	-	-	8,148,000
	Key actions undertaken to achieve efficiency gain: Under NI179 criteria any cash releasing efficiencies achieved as part of the previous efficiency regime (as part of SR2004 and reported through the Annual Efficiency Statement process to the Government) are allowed to be carried forward into the new regime (as part of CSR 2007).			
	Quality crosscheck notes: The Annual Efficiency Statement Backward Look 2007/08 included cumulative cashable efficiencies of £33,748,000 compared to the target of £25,600,000.			
Total NI 179 Efficiency Gains	17,589,100	-	-	17,589,100

CERTIFIED AND APPROVED BY:-

Councillor Steve Foulkes
Leader

Stephen Maddox
Chief Executive

Ian Coleman
Director of Finance

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WIRRAL COUNCIL

CABINET – 25 JUNE 2009

REPORT OF THE DIRECTOR OF REGENERATION

WIRRAL'S HOUSING MARKET RENEWAL PROGRAMME 2009-10

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to seek Cabinet's approval to:

- i. Wirral's Housing Market Renewal Programme for 2009-10, subject to the completion of a Deed of Variation between Newheartlands and the Homes and Communities Agency (HCA) to secure funding for 2009 -10.
- ii. delegate authority for programme management and delivery to the Director of Regeneration, the Deputy Chief Executive/Director of Corporate Services and the Director of Law, Asset Management and HR.

2.0 BACKGROUND

2.1 From 1st December 2008, the Homes and Communities Agency took over responsibility for administering the Housing Market Renewal Initiative (HMRI) and its funds from the Department of Communities and Local Government.

2.2 In 2008, Newheartlands (the Merseyside Housing Market Renewal Pathfinder) was allocated a financial resource for 2008/09 with indicative allocations for 2009-10 and 2010/11. These are shown in the following table alongside Wirral's allocation.

	2008-09 Actual	2009-10 Indicative	2009-10 Actual	2010-11 Original Indicative	2010-11 Revised Indicative Total
HMRI Allocation to Newheartlands	£53,960 m	£51 m	£45.9 m	£47 m	£42.3 m
Allocation to Wirral	£10.51 m	£9.91 m	£8.89 m	£9.11m	£8.2 m

2.3 Wirral's actual allocation of HMRI funds for 2009-10 is 10% lower than the indicative allocation published in 2008. This amounts to £8.89 million for Wirral in line with the 10% reduction in the overall allocation to Newheartlands. The HCA has invited Newheartlands to submit a bid for a sum equivalent to the 10% funding reduction, some £5 million, and this is currently being prepared. The HCA has indicated that the programme will be reduced by a further 10% in 2010/11.

2.4 The Newheartlands Business Plan for the 2008-11 programme was approved by Cabinet on 4th October 2007. This set out the vision for Wirral's HMRI Strategy, specific housing market renewal objectives, priorities for investment and a range of programme scenarios. The overall HMRI Programme for 2008-11 was agreed by Cabinet on 9th July 2008.

2.5 Housing Market Renewal funding for 2009-10 will be complemented by £4.44 million Regeneration Capital Programme funding, which is considered as match funding to HMRI funds.

- 2.6 The basis of the Council's approach to delivery of housing market renewal is through negotiation and agreement rather than Compulsory Purchase. In a market of falling prices, it has proved difficult to keep up with the demand from property owners to sell to the Council within priority areas, hence progress is good. However, the Council may have to use compulsory purchase powers in 2009-10 to complete longstanding acquisition projects.
- 2.7 Funding for 2009-10 will allow Wirral to continue its successful HMR Programme. Principally this will achieve:-
- completion of the first new homes on the Fiveways Scheme in Rock Ferry
 - commencement of new retail development in Church Road, Tranmere
 - progression of large scale acquisition, demolition and refurbishment projects in Birkenhead including assembly of sites for new build
 - a Living Through Change Programme supporting communities through services such as the Live Wirral Wardens.
- 2.8 The housing market in 2009-10 faces a number of challenges and the HMR programme will use innovative schemes to address this including new build gap funding, shared equity new-build, improved services to support businesses and help the local economy and commissioning an Integrated Regeneration Study for Birkenhead. The HMRI Programme for 2009-10 is aligned to the New Growth Point project and wider government housing stimuli outlined in the £16 billion housing investment set out in the April 2009 Budget, such as Kickstart funding for stalled new build, support for homeowners at risk of losing their homes, and funds available through the NAHP programme for new affordable housing and an energy saving programme investing in social housing with the aim of reducing carbon emissions.
- 2.9 Cabinet is advised that Newheartlands has agreed the Deed of Variation with the Homes and Communities Agency (HCA), subject to approval of Liverpool, Sefton and Wirral Councils. The Deed of Variation entitles Newheartlands to claim funds from the national pathfinder programme. Therefore, Cabinet is asked to agree this programme subject to the completion of the Deed of Variation and is asked to delegate authority to the Director of Law, Asset Management and HR to effect this.
- 3.0 **THE HOUSING MARKET RENEWAL PROGRAMME 2009-10**
- 3.1 The Housing Market Renewal Programme 2009-10 consists of the following initiatives, for which Cabinet's approval is sought:
- Birkenhead Clearance
 - Rock Ferry (Fiveways) Clearance
 - Tranmere (Church Road) Clearance
 - Tranmere (Borough Road) Clearance
 - Wallasey (Royston/Woodhall Avenues) Clearance
 - Strategic site assembly
 - Group Repair Improvements
 - Private Sector Home Improvements
 - Living Through Change
 - New Build
- 3.2 Appendix 1 contains a spreadsheet showing the Housing Market Renewal Programme for Wirral for 2009-10, including the funding sources and the outputs which will be achieved.

3.3 The following sections of the report set out the detail of each of the above initiatives

4.0 BIRKENHEAD CLEARANCE

4.1 This project will take forward two clearance projects in the North Birkenhead area at Milner/Carrington Streets and in the Bray/Brassey/Laird Street area. HMRI funds of £1,760,000 and Regeneration Capital Funds of £1,881,000 will allow for good progress and the start of demolition.

5.0 ROCK FERRY (FIVEWAYS) CLEARANCE

5.1 The implementation of the Fiveways scheme is proceeding very well with only 8 residential units to be acquired as part of the 2009/10 programme. It is intended to allocate HMRI funding of £800,000 to complete acquisitions and clearance. The first homes in Phase 1 of new build development will be ready in July 2009 and all 114 units completed by 2011. Completion of the clearance scheme makes land available for a further 169 units.

6.0 TRANMERE (CHURCH ROAD) CLEARANCE.

6.1 It is planned to spend HMRI funding of £1,475,000, in 2009/10 to continue the acquisition and clearance of retail, commercial and residential units in Tranmere, in line with the Church Road Masterplan. The Programme for 2009-10 will enable the acquisition of 11 commercial and 4 residential properties identified for clearance and will facilitate the commencement of new build development. Until now, all property acquisitions have been achieved through negotiation but it may be necessary to use compulsory purchase powers in 2009-10 to acquire some of the remaining properties, in order to proceed with planned new build development phases.

7.0 TRANMERE (BOROUGH ROAD) CLEARANCE

7.1 It is planned to spend HMRI funding of £225,000 to acquire 5 residential units in the block 305-329 Borough Road, Tranmere.

8.0 WALLASEY (ROYSTON/WOODHALL) CLEARANCE

8.1 HMRI funding of £100,000 will allow acquisition of the remaining property in the Royston/Woodhall Avenue (Wallasey) Statutory Clearance area and completion of demolition. New Build development began on the first phase site in March 2009.

9.0 STRATEGIC SITE ASSEMBLY

9.1 The sum of £1,300,000 remains allocated for the years 2009-11 for strategic acquisitions, primarily in the Wallasey neighbourhood. This funding will be used to acquire land or properties to create sites suitable for housing development.

9.2 The vast majority of acquisitions will be made by the Council directly from property and land owners. However, in line with Newheartlands eligibility criteria, Cabinet is asked to approve the use of Registered Social Landlords (RSLs) to act as agents to acquire properties and sites to assist with the delivery of the programme. This has happened occasionally in the past, such as at Railway Road in Rock Ferry. Acquisitions via RSL Partners will be managed by the Regeneration Department using independent valuation advice, where required, to ensure value for money.

10.0 GROUP REPAIR IMPROVEMENTS

10.1 It is intended to allocate £200,000 Regeneration Capital Programme funding to implement Phase 4 of the Triangles Group Repair Scheme, in Birkenhead. Client contributions of almost £400,000 will contribute to meeting the overall costs of the scheme and provide excellent value for money to the Council. Phase 4 of the scheme will complete the Triangles Group Repair Scheme and encompasses retail units on Laird Street and Mallaby Street. Phases 1, 2 and 3 have been very successful with take up of 95% from eligible applicants and have resulted in a major uplift in the local market.

11.0 PRIVATE SECTOR HOME IMPROVEMENTS

11.1 It is intended to allocate £915,000 of HMRI funding and Regeneration Capital Programme funding of £1,620,000, in 2009/10, to enable improvements to sustainable private sector housing stock.

11.2 The Craven/Paterson Streets, Neighbourhood Facelift Scheme, Birkenhead involves renovation of the external fabric of the houses over two phases. Works will include, where necessary, re-roofing, strengthening of roof timbers, repairs to chimney stacks and flashings, new windows, doors, fascias, gutters and pebbledash, re-covering of bay windows, new non slip tile frontage and, rear boundary walls made good and rear yard gates. Work may also include the installation of solar water heating panels, where appropriate. Other works will be undertaken to improve the general environment and street scene. The scheme offers a 75% grant with a means tested household contribution of up to 25%, supported by a reducing 3 year financial charge on the property. In 2009/10, HMRI funding of £750,000 and £950,000 Regeneration Capital Funding has been allocated to the scheme. Maritime Housing (part of the Regenda Group) will renovate the properties in its ownership, within the scheme boundary, at a cost of £600,000 and will also project manage the entire scheme. Empty properties will be renovated and sold for owner occupation. The first phase of the scheme started on site in May 2009.

11.3 £250,000 of Regeneration Capital Funding has been allocated to complete the remaining agreed 50/50 Renovation Grant/ Loans, in the Church Road area of Tranmere. The works will be completed by the end of 2009-10 and complement new build works planned in adjoining streets and regeneration work in Tranmere.

11.4 Equity Renewal Loans will enable low income homeowners, with equity in their property, to fund improvements/repairs which otherwise may not be possible due to financial constraints. The cost of works will be calculated as a percentage of the overall estimated value of the property, and this will be registered as a Legal Charge against the property. There are no repayments on the loan, until the client or executor sells the property, or until the client decides to repay a lump sum.

11.5 Applicants can have the following works undertaken:

- Works to the Decent Homes Standard (up to £30,000 subject to there being a minimum of 20% free equity in the property)
- Environmental sustainability works subject to the house meeting the decent homes standard on completion.

11.6 £200,000 of Regeneration Capital Funding will be used for Equity Renewal Loans in the HMRI area. Equity Loans for Renewal will be made available for:

- Internal works to properties to complement the Craven/Paterson Street, Birkenhead neighbourhood facelift scheme
- External and internal works in Egremont to complement new build investment in the area.

11.7 The HOUSED (Home Ownership Using Sustainable Empty Dwellings) Scheme purchases long term empty properties, improves them and sells them to support owner-occupation. The properties are refurbished to Secured by Design and Ecohomes standards and a 10% discount is offered to help first time buyers. Priority is given to those living in clearance areas, who are Housing Association tenants, or waiting for smaller homes and can guarantee vacancies of popular homes which can be re-let to people in housing in need. £200,000 of Regeneration Capital Funding will be used for HOUSED in the HMRI area.

11.8 The Empty Property Team continues to work in partnership with the Homemovers Service, on the First Homes scheme.

11.9 First Homes encourages and supports first time buyers (subject to eligibility criteria) into home ownership in the Housing Market Renewal area. The scheme provides support and guidance, a financial incentive up to £2,000 towards purchasing and moving costs, and referral to an Independent Financial Adviser for mortgage advice and access to other support services. In 2009/10, the scheme will use £20,000 of Regeneration Capital funding.

11.10 The Energy Efficiency Scheme will receive HMRI funding of £165,000 in 2009/10 and provide:

- Central heating and heating improvements to households so they reach the thermal comfort criterion of Decent Homes Standard
- Discounts to owner occupiers on loft and cavity wall insulation
- Solid wall insulation to properties being renovated by the Empty Property Team

12.0 **LIVING THROUGH CHANGE**

12.1 The Living Through Change Programme will cover a number of non-physical interventions aimed at maintaining environmental standards, community safety and community cohesion throughout the Housing Market Renewal areas. In addition, the programme will support the Clearance, New Build and Improvement programmes and reduce the potential negative impact on residents, in the Housing Market Renewal areas. It is planned to use a total of £1,190,000 for the initiatives that make up the programme, allocated as follows:

- | | |
|-----------------------------------|----------|
| • Live Wirral Wardens | £400,000 |
| • HMR Anti-Social Behaviour | £60,000 |
| • Homemovers Service | £240,000 |
| • Handyperson Scheme | £55,000 |
| • Landlord Accreditation | £200,000 |
| • Environmental Improvements | £135,000 |
| • Community Schemes | £15,000 |
| • Build Wirral Employment Project | £85,000 |

12.2 The programme of initiatives is a continuation of the successful schemes implemented in 2004-09.

- 12.3 HMR Anti-Social Behaviour funding will pay for an officer and two part time youth workers to address issues in the HMRI areas. They will specialise in community engagement and tackle the causes and effects of anti-social behaviour.
- 12.4 The very successful Homemovers Service will continue with the current level of staffing. This has been recognised as a model of good practice nationally and retained the Government's Charter Mark for Customer Service excellence, in March this year.
- 12.5 The Handyperson Scheme will continue to undertake small maintenance and repair jobs and some security improvements to homes in the HMRI area.
- 12.6 The Landlord Accreditation Scheme will continue with the current level of staffing and progress further the accreditation of private landlords, in order to improve property conditions and management standards in this sector of the housing market.
- 12.7 Environmental Improvement funding will be used for small scale improvement works to complement the Clearance, Improvement and New Build programmes.
- 12.8 Community Schemes, including a Wirral Youth Voice Conference, are planned to enhance community engagement.
- 12.9 The Build Wirral objective is to ensure the involvement of the local individuals and companies in the redevelopment and regeneration schemes taking place in Wirral. The intention is to increase the number of people, within Wirral's priority neighbourhoods, with the necessary recognised construction industry skills and qualifications, to meet the needs of employers. This will align HMRI and Working Neighbourhood strategies.

13.0 **NEW BUILD**

13.1 The new build programme is most advanced in Fiveways, Rock Ferry where the first homes will be ready in July 2009. The retail development in Church Road, Tranmere will begin in autumn 2009. A bid under the Government's Kickstart programme has been submitted for the site in Whitford Road, Tranmere. If successful in receiving funding this will enable a start on the redevelopment of the residential units for the Church Road area. The remaining residential new build for Fiveways and Church Road will be brought forward when the housing market recovers. In the short term, New Growth Point funding will be used to offer shared equity products and this may become an important product in helping the market to recover. Elsewhere new build schemes are on site at:

- Royston/Woodhall, Wallasey
- Stringhey Road, Wallasey
- Gorse Lane (Extra Care), Wallasey
- Bedford Road, Rock Ferry
- Southwick Road, Tranmere
- Aspendale Road, Tranmere
- Fox Street, Birkenhead

13.2 Future new build will be determined by site availability, market conditions and access to funds to increase the attractiveness of new build homes. These will be reported to Cabinet as required.

14.0 FINANCIAL IMPLICATIONS

14.1 In addition to HMRI funding for 2009/10, the Council's Regeneration Capital Programme, Housing Corporation funding, RSL investment, private sector funding and Capital Receipts will contribute over £9.4 million into the overall programme for regenerating the housing market of Wirral.

15.0 STAFFING IMPLICATIONS

15.1 The programme will be delivered using the existing staffing structure.

16.0 EQUAL OPPORTUNITIES IMPLICATIONS

16.1 Wirral's Housing Market Programme will have a positive impact on some of the most socially and economically deprived areas of Wirral.

17.0 COMMUNITY SAFETY IMPLICATIONS

17.1 HMRI will result in some clearance of poorly designed, unsafe or obsolescent areas and the creation of safer, more secure living environments.

18.0 LOCAL AGENDA 21 IMPLICATIONS

18.1 Housing Market Renewal will improve the quality of living environments and environmental standards throughout many parts of Wirral. New high quality, decent homes with enhanced energy efficiency standards and better use of renewable building materials will contribute towards Local Agenda 21 priorities.

19.0 PLANNING IMPLICATIONS

19.1 HMRI aims to bring about a fundamental change in the character of some of the most deprived areas of the Borough. Proposals for new development will be brought forward with the assistance of the preferred private developer and Registered Social Landlords and will be integrated with the Council's Local Development Framework, as either Supplementary Planning Documents or Development Plan Documents. Residential redevelopment is in conformity with Policy HS4 of the Unitary Development Plan, while mixed use development incorporating retail use will be considered against retail policy including Policy SH4 of the Unitary Development Plan. Other uses will be considered against UDP Policy HS15.

20.0 ANTI-POVERTY IMPLICATIONS

20.1 None arising from this report.

21.0 SOCIAL INCLUSION IMPLICATIONS

21.1 None arising from this report.

22.0 LOCAL MEMBER SUPPORT IMPLICATIONS

22.1 The HMRI areas are within the following Wards: Bidston and St James, Birkenhead and Tranmere, Rock Ferry, Seacombe, Liscard, Claughton, Oxtan and Bromborough.

23.0 BACKGROUND PAPERS

23.1 North Birkenhead Framework for Regeneration, Tranmere (Church Road) Masterplan, Rock Ferry (Fiveways) Masterplan, Strategy for Inner Wirral 2004-14, Wirral's Strategic Integrated Investment Framework for HMRI (2006-08).

24.0 RECOMMENDATION

24.1 That:

- (1) Subject to the DCLG/Newheartlands Deed of Variation being completed under delegated authority by the Director of Law, Asset Management and HR, the Housing Market Renewal Programme 2009-10 for Wirral, which is summarised in the table below and in Appendix 1, be agreed.

<u>HMRI Funding to be allocated:</u>	£'000
Birkenhead Clearance	1,760
Rock Ferry Clearance	800
Tranmere Clearance	1,700
Wallasey Clearance	100
Strategic Site Assembly	650
Private Sector Home Improvements	915
Living Through Change	1,190
Staffing and Resources	1,625
Relocation Loans	150
New Build Schemes	0

- (2) Cabinet delegates authority for programme management and delivery to the Director of Regeneration, the Deputy Chief Executive/Director of Corporate Services and the Director of Law, Asset Management and HR with future progress reports being presented to Cabinet and Scrutiny Committees as appropriate.

Alan Stennard
Director of Regeneration

This report was prepared by Lynn Ireland, HMRI Programme Manager who can be contacted on 691 8102.