



# Cabinet

<b>Date:</b>	<b>Thursday, 9 December 2010</b>
<b>Time:</b>	<b>6.15 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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## AGENDA

### 1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

The members of the Cabinet are invited to consider whether they have a personal or prejudicial interest in connection with any of the items on this agenda and, if so, to declare it and state the nature of such interest.

### 2. MINUTES

The minutes of the last meeting have been printed and published. Any matters called in will be reported at the meeting.

RECOMMENDATION: That the minutes be approved and adopted.

## CORPORATE SERVICES

### 3. WIRRAL'S FUTURE: BE PART OF IT: TASK FORCE OPTIONS AND RECOMMENDATIONS

Report to be circulated separately.

### 4. EUROPA BOULEVARD DISPOSAL OF SITES 1 AND 2

Report to be circulated separately.

## FINANCE AND BEST VALUE

**5. PROVISIONAL FINANCE SETTLEMENT**

Report to be circulated separately.

**6. CAPITAL PROGRAMME AND FINANCING 2011-15**

Report to be circulated separately.

**7. CALCULATION OF COUNCIL TAX BASE (Pages 1 - 4)**

**8. COUNCIL TAX DISCOUNTS (Pages 5 - 14)**

**9. BUDGET PROJECTIONS 2011-15**

Report to be circulated separately

**10. BALANCE SHEET MANAGEMENT - REVIEW OF BALANCES INCLUDING PROVISIONS AND RESERVES (Pages 15 - 26)**

**11. PENSION FUND ACTUARIAL VALUATION AS AT 31 MARCH 2010 (Pages 27 - 30)**

**12. MERSEYSIDE PENSION FUND - FUNDING STRATEGY STATEMENT (Pages 31 - 52)**

**13. PROCUREMENT - REVIEW OF CONTRACT EFFICIENCIES 2010-11 (Pages 53 - 66)**

**14. PROVISION FOR INFLATION 2011-12 (Pages 67 - 68)**

**15. PROPOSED CONSTITUTIONAL CHANGES: PETITIONS (Pages 69 - 86)**

**CHILDREN'S SERVICES AND LIFELONG LEARNING**

**16. ADMISSION ARRANGEMENTS FOR COMMUNITY SECONDARY SCHOOLS AND THE COORDINATED ADMISSION SCHEME FOR 2012-13 (Pages 87 - 104)**

**17. ADMISSION ARRANGEMENTS FOR COMMUNITY AND VOLUNTARY CONTROLLED PRIMARY SCHOOLS AND COORDINATED SCHEME FOR 2012-2013 (Pages 105 - 118)**

**18. PLAY BUILDER PROGRAMME REPORT (Pages 119 - 128)**

**19. CONSTRUCTION OF A THIRD GENERATION SYNTHETIC FOOTBALL PITCH AT WOODCHURCH HIGH SCHOOL - SCHEME AND ESTIMATE (Pages 129 - 140)**

**SOCIAL CARE AND INCLUSION**

## **20. CONTRACTS FOR PERSONAL SUPPORT**

Report to be circulated separately.

## **STREETSCENE AND TRANSPORT SERVICES**

### **21. BIDSTON MOSS VIADUCT UPDATE AND DOCKS LINK ROADS RESURFACING (Pages 141 - 148)**

### **22. ANNUAL ELECTRICITY AND GAS CONTRACT RENEWAL (Pages 149 - 154)**

### **23. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)**

To consider any other business that the Chair accepts as being urgent.

### **24. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

The following items contain exempt information.

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

## **CORPORATE RESOURCES**

### **25. EUROPA BOULEVARD DISPOSAL OF SITES 1 AND 2 - EXEMPT APPENDICES (Pages 155 - 188)**

## **FINANCE AND BEST VALUE**

### **26. REDUCTION OR REMISSION OF NON DOMESTIC RATES DUE TO HARDSHIP (Pages 189 - 196)**

## **REGENERATION AND PLANNING STRATEGY**

### **27. COMPANY NAMED IN THE REPORT - REQUEST FOR FINANCIAL ASSISTANCE (Pages 197 - 202)**

### **28. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 2)**

To consider any other business that the Chair accepts as being urgent.

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## **WIRRAL COUNCIL**

### **CABINET**

**9 DECEMBER 2010**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **CALCULATION OF COUNCIL TAX BASE**

##### **1. EXECUTIVE SUMMARY**

- 1.1. This report details the method used to calculate the Tax Base for Council Tax and recommends a figure for tax setting purposes. Members are requested to approve the taxbase for Council Tax purposes in 2011/12.

##### **2. INTRODUCTION**

- 2.1. The Tax Base is used to calculate the individual amounts of Council Tax that need to be raised to cover expenditure. Within the Council Tax are amounts for the Precepting Authorities (Police and Fire and Rescue). These Authorities are formally advised as to the Tax Base to allow them to calculate their own requirements.
- 2.2. The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to declare by means of Council resolution the Tax Base it will use to calculate the tax level. Council must make this resolution no later than 31 January in the year preceding the Tax.
- 2.3. The calculations below show the numbers of dwellings in each band. The number of likely discounts, reliefs and exemptions to be awarded is then taken into account. These figures are used with the proportions for each band to arrive at an equivalent number of Band D properties. This equated figure is adjusted for the collection rate and is the Council Tax Base.
- 2.4. The figures used are an estimate based on the Valuation List of 5 October 2010. There will be amendments that need to be undertaken and these continue to take place throughout the year.

##### **3. THE CALCULATION OF THE TAX BASE**

- 3.1. The Valuation List contains 145,717 properties (145,446 in 2009). Within each band there is an assessment made of how many reductions, reliefs and exemptions apply. These reduce the number of dwellings proportionately. 25% discounts for single dwellings, 50% discount for no residency, 100% for exemptions and one band reductions for disabled relief all contribute to this reduction. This figure is then converted to a Band D equivalent by using the ratio of each band charge.

3.2. The calculation is set out below;

	VALUE	No. of Properties	No. of Discounted Dwellings	Band Ratio	Band D Equivalent
A	Up to £40,000	58,757	47,717.50	6/9	31,811.7
B	£40 - £52,000	31,041	27,151.25	7/9	21,117.6
C	£52 - £68,000	27,207	24,378.75	8/9	21,670.0
D	£68 - £88,000	13,028	11,846.25	1	11,846.3
E	£88 - £120,000	8,039	7,400.00	11/9	9,044.4
F	£120 - £160,000	4,273	3,957.25	13/9	5,716.0
G	£160 - £320,000	3,101	2,857.00	15/9	4,761.7
H	Over £320,000	271	228.50	18/9	457.0
		145,717			106,383.8
	Add Band A Disabled Relief Band D equivalent				92.0
	Total				106,475.8

3.3. The total Band D equivalent is then adjusted by the estimate of the collection rate for 2011/2012 to give the Council Tax Base. Having taken into consideration previous experience and current collection rates, I recommend no change in the projected collection rate of 98.5%. The collection rate is the rate that best reflects collection over more than just the current year and will therefore take longer than the following financial year to achieve. I can confirm that all previous year collections have ultimately met or exceeded my projections. I am satisfied that this rate should be achieved for 2011-12.

3.4. The calculation for 2011/2012 is  $106,475.8 \times 98.5\% = 104,879$

For information the Tax Base in previous years was as follows:-

2005/06 :	104,582	2006/07:	104,781	2007/08:	104,256
2008/09:	104,009	2009/10:	104,276	2010/11:	104,690

#### 4. **SETTING OF THE TAX**

4.1. The level of Council Tax is set at each Budget Council. The Budget Council for 2011/2012 is scheduled for 1 March 2011

#### 5. **FINANCIAL IMPLICATIONS**

5.1. The approval of the Tax Base allows the Authority to continue with tax collection.

**6. STAFFING IMPLICATIONS**

6.1. There are none arising from this report.

**7. COMMUNITY SAFETY IMPLICATIONS**

7.1. There are none arising from this report.

**8. HUMAN RIGHTS IMPLICATIONS**

8.1. There are none arising from this report.

**9. EQUAL OPPORTUNITY IMPLICATIONS**

9.1. There are none arising from this report.

**10. LOCAL AGENDA 21 IMPLICATIONS**

10.1. There are none arising from this report.

**11. PLANNING IMPLICATIONS**

11.1. There are none arising from this report.

**12. LOCAL MEMBER SUPPORT IMPLICATIONS**

12.1. The report has no specific implications for any Member or Ward.

**13. BACKGROUND PAPERS**

13.1. Local Government Finance Act 1992

13.2. Local Authorities (Calculation of Tax Base) Regulations 1992

13.3. AMA Policy Finance Circular 109/92

**14. RECOMMENDATION**

14.1. That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the figure calculated as the Council Tax Base for the year 2011/2012 shall be 104,879.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/208/10

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## WIRRAL COUNCIL

### CABINET

9 DECEMBER 2010

## REPORT OF THE DIRECTOR OF FINANCE

### COUNCIL TAX DISCOUNTS

#### 1. EXECUTIVE SUMMARY

- 1.1 This report reviews Council Tax charges for Second Homes, long-term empty homes and the annual option for the Council to set locally defined discount schemes. The report requests Members to decide if any amendments to current discounts should be brought into operation.

#### 2 INTRODUCTION

- 2.1. The Local Government Act 2003 empowers a local authority to amend the level of charge made on Second Homes and long term empty properties, and allows for locally set discounts. Cabinet last considered this issue on 9 December 2009 when the discounts remained unchanged.
- 2.2. This report sets out the impact on the level of Council Tax for 2010/11, the volumes involved and the impact on the Housing Market Renewal Strategy. Members are requested to consider each of these factors whilst deciding on how discounts should be applied for 2011/12.

#### 3. SECOND HOMES

- 3.1. Second Homes are properties that are not a "sole or main" residence. They are usually furnished and because of that attract a 50% charge to cover the property element of Council Tax. However, as they are not a sole or main residence there is no personal charge to pay and so the bill is therefore 50% of a fully occupied property. This category also covers furnished property let by landlords.
- 3.2. The Government has acknowledged that in some holiday areas it was becoming impossible for local people to purchase properties locally. Furthermore out of season the holiday areas were unable to sustain such basic amenities as village shops and Post Offices. The Government has attempted to redress the balance by allowing Councils to reduce the discounts on second homes from 50% to as little as 10%.
- 3.3. The only people excluded from any change are people who live elsewhere and are liable to pay Council Tax on a property owned by an employer, i.e. tied accommodation.

- 3.4. Wirral agreed to reduce the discount from 50% to 25%. 25% was recommended as this was the figure that would represent the Council Tax payable if one resident resided and stop claims that the property ceased to be a Second Home and had become occupied. This change raised some negative comment from landlords of furnished properties.
- 3.5 There are currently 651 properties in receipt of the Second Homes discount (25%). This is a 4% increase from the previous year and represents 0.5% of the properties on Wirral (145,717). Wirral could reduce the discount further, by a maximum of 15%. This would bring in a maximum extra £106,000. Increasing to this level is beyond that of a property occupied by a single person and thus it would be more likely that this maximum would never be reached as second homeowners either install or claim the property to be occupied by a single person.
- 3.6. If the Council amends the provisions a notice is required to be published locally 21 days after the determination, and any amended charge would come into force on 1 April 2011.

#### **4. LONG TERM EMPTY HOMES**

- 4.1. The Government aim is to help Local Authorities bring long-term empty homes into occupation, by encouraging owners to sell or let the properties faster than at present.
- 4.2. Long-term empty homes are defined as properties that have been empty for more than six months. For the first six months providing the property remains substantially unfurnished the taxpayer is free from paying Council Tax. Thereafter a charge of 50% applies until a property is reoccupied. This is known as Class C exemption.
- 4.3. Long-term empty properties quite often require major structural work or substantial repairs to make them habitable. Those properties, providing they satisfy the criteria can be exempt from Council Tax for up to 12 months. This is known as Class A exemption, after 12 months they attract a charge of 50%.
- 4.4. The legislation allows the Authority to charge up to the full level of Council Tax for Class C after 6 months and after 12 months for Class A. Enquiries made with other metropolitan councils who operate this scheme show that there may be a small reduction in Empty Properties in the first year of the discount removal but overall since 2004 when the legislation was amended to allow this change the overall effect on Long Term Empty properties is nil.
- 4.5. Wirral has been addressing the growing problem of empty properties in the Borough since 2005 when the first Empty Property Strategy "Tackling and Preventing Dereliction in Wirral" was approved.

- 4.6. The current lack of finance in the housing market has resulted in more empty properties as sales turnover slows and money to finance redevelopment is difficult to secure. At the same time, a requirement to increase the supply of affordable housing is paramount. Empty properties could be used as a valuable asset to help meet housing need. Addressing Empty Properties continues to be a key objective in the Draft Housing Strategy 2011-2026 which will soon be out for consultation. The strategy acknowledges that dealing with the significant number of empty properties in Wirral is a complex issue that requires a long term strategic approach using a range of powers, close working relationships within the Council and effective partnership working with property owners and external stakeholders.
- 4.7. The Empty Property Team is undertaking a wide range of initiatives using both enforcement powers and enabling schemes. Projects include the HOUSED (home ownership using sustainable empty dwellings) Scheme, a Private Sector Leasing Scheme, an Empty Property Loan, to assist with works needed to allow premises to be reoccupied and the support of the Landlord Accreditation Team to assist with management advice and assistance.
- 4.8. The blight caused by empty properties can affect the sustainability of nearby houses in all neighbourhoods of the Borough because they can often act as a magnet for vandalism and anti-social behaviour as well as having a detrimental effect on the local housing market. As well as implementing a range of initiatives, the Empty Property Team is looking at all ways to disincentivise owners from keeping properties empty. One of the ways to do this is to make owners pay more Council Tax on their empty properties. It may act as a deterrent and an incentive for owners to seek occupation. This could be achieved by an incremental reduction in Council Tax discount for such properties. This change would assist in the implementation of the Empty Property Strategy by:-
- ensuring owners pay more Council Tax on their empty properties after the 6 or 12 months exemption which may act as a deterrent and an incentive for owners to seek occupation.
  - reducing vacant property numbers across the Borough
  - reducing the overall expenditure and resources needed by Corporate Services, Technical Services and Legal Services to repeatedly deal with empty properties and their consequential negative effects throughout the Borough.
  - sending out the message to owners of vacant properties that Wirral Council does not support this activity.
- 4.9. The current number of Class C properties is 2,982; an increase of 68 (2%) on last year, of which 2,365 are in Band A or Band B.
- 4.10. If the present charge of 50% is increased to 90% on a Band D property the amount payable based upon the charge for 2010/11 would increase from £732.10 to £1317.78.

- 4.11. The taxbase for tax setting purposes would have to reflect the additional tax raising capacity.
- 4.12. Unlike Second Homes the Council will **not** retain any additional income received from reducing the discount after the first year. For the first year however the additional revenue brought in as a result of changes to discount levels is regarded as a windfall which could be retained by the Council to offset the additional administration charges of collecting the revenue in subsequent years.
- 4.13. The windfall is only for one year as the Council Tax base will be amended the following year to reflect the change in the discount level. The Government will reduce the Revenue Support Grant by 100% of the discount reduction revenue raised.
- 4.14. Wirral has an average of 2,900 properties that are in receipt of long-term discount at any one time during a year. Taking an average of Band B, I anticipate an additional £1,321,100 could be raised based on 2010-11 charges with a loss of grant and additional administrative costs to the Council of £1,341,300 if the charge was increased to 90%. An alternative of an incremental increase of 5% raising the charge to 55% would raise income by £165,100 (cost to the Council £167,600) whilst a 10% rise in the charge to 60% would achieve £330,300 (cost to the Council £335,200).
- 4.15. St Helens, Sefton and Liverpool offer no discount for long term vacant property. If Wirral were to adopt this approach it would send a clear message to empty property owners. However it could result in an under-reporting of empty properties. Alternatively Wirral could retain some discount to ensure empty properties are still reported.
- 4.16. The benefits and disadvantages of each of the options are shown in the table below.

<b>Council Tax Level Charged</b>	<b>Additional Revenue Year 1 Only</b>	<b>Additional Costs Per Annum</b>	<b>Advantages</b>	<b>Disadvantages</b>
50% Charged  (No change)	£0	£0	Maintaining the existing vacant property exemption rate of 50% would cause no additional work. Property owners are likely to admit to the property being vacant in an effort to receive the highest level of discount which is likely to provide accurate empty property statistics.	Sends out the wrong message to vacant property owners and raises question marks over the consistency of approach towards vacant properties. The Empty Property Team aims to return vacant properties to use. Liverpool, St Helens and Sefton all offer no discount to long term vacant property owners. Wirral would therefore not be in line with the majority of the Liverpool City Region in maintaining a 50% discount.
75% Charged	£826,000	£12,600	Discount level in line with Single Occupancy Discount and Second Home exemptions. Property owners are likely to admit to the property being vacant as there would be no additional financial incentive to claim any other exemption.	For residents who currently claim Second Home or Single Occupancy Discount exemptions there is no financial incentive to report the property as vacant. Vacant property owners are still provided with a financial incentive to leave their property vacant. Wirral would not be in line with the majority of the Liverpool City Region who employ a no discount approach for vacant property owners.
90% Charged	£1,321,100	£20,200	Property owners may register the property as vacant as there is a small financial incentive to do so. The Authority sends out a strong corporate message that vacant property owners will not benefit from wasting resources.	Discount may not be in line with alternative discount levels within the Council Tax system and system development requirements must be considered. Property owners may not register the property as vacant due to the small discount on offer in an attempt to avoid unwanted involvement from the

				Empty Property Team. This would therefore affect the accuracy of the vacant property statistics.
100% Charged	£1,651,400	£25,300	Largest 'windfall' income would be generated through this option. Maximum financial incentive for owners to return properties to use. Minimum disruption to the Council Tax system as there is already provision for those paying 100% Council Tax Wirral would be in line with the majority of the Liverpool City Region as no discount would be offered to vacant property owners.	There is no incentive for property owners to report a property as vacant and therefore there may be an incentive for property owners to claim a vacant property as being a Second Home for example. This would impact on the empty property statistics and not provide a true reflection of the vacancy rates

Notes: Where there is an effect on the accuracy of Empty Property Statistics this has an effect on local performance indicators and Government returns. Therefore it would be beneficial for some of the additional resources generated by the windfall to be invested to increase property monitoring efforts by the Revenues and Benefits Fraud team to ensure comprehensive and accurate data is gathered and reported. If this were not to be the case it could undermine the validity of statistics and hinder the efforts of the Empty Property Team in targeting resources effectively to tackle vacant properties.

- 4.17. Private landlords who could be adversely affected by the increase in Council Tax could be assisted to find tenants for their properties with the extension of schemes such as the Landlord Accreditation Scheme, Private Sector Leasing Scheme or Empty Property Financial Assistance subject to finance being made available for these services.
- 4.18. A reduced discount for long term vacant properties could also reduce the overall cost and resources needed by other Council departments to repeatedly deal with empty properties and their consequential issues within the Borough.

- 4.19. A similar scheme was last operated in Wirral under the General Rate Act in 1982 and at that time it was not found to be successful in bringing empty properties back into use and ended after one year. However, at the time, the Empty Property Team was not in place to assist owners of long term empty properties to bring them back into use.
- 4.20. Cabinet last considered this issue on 9 December 2009 (Minute 241) and decided not to amend the discount. If the Council adopts amended provisions a notice is required to be published locally 21 days after the determination. It is anticipated the charges would come into force on 1 April 2011.

## **5. LOCAL DISCOUNTS**

- 5.1. Councils can reduce the Council Tax paid by using locally defined discounts. The discount granted can be anything up to 100%. The main driving force behind the introduction of these discounts was to allow Councils to react to local circumstances such as flooding or other natural disasters.
- 5.2. The Regulations do not require the discount to be published in advance and attempting to pre-determine classes of exemption could prove difficult. A discount could be granted to an individual in case of extreme hardship. A discount could also be granted to all empty properties within a specific area, such as a clearance area.
- 5.3. The option to determine individual cases as and when they arise gives more flexibility to the Council and does not require predetermination.
- 5.4. The Council has to fund any locally defined discounts.
- 5.5. The Cabinet on 22 July 2004, (Minute 74) awarded a local discount to Wirral Women and Children's Aid and reconfirmed this on 9 December 2009 (Minute 241). The Local Discount was awarded at the rate of 50% for the refuge and 75% for both flats on the basis of the valuable work undertaken at the premises. The circumstances have remained unaltered.
- 5.6. A decision is required as to whether this discount should continue to be awarded for 2011-2012. The amount of the discount in 2010-11 was £3,416.

## **6. FINANCIAL IMPLICATIONS**

- 6.1. Whilst marginal additional sums could be raised through Second Home discounts being reduced further, other changes in discounts are met by Council Taxpayers.
- 6.2. Long term empty homes reduced discount is offset as grant to the Authority is reduced by any increased sums raised. After year 1 any reduction in discount will become a net increase in expenditure to the Authority.

6.3 Local discounts have to be funded by the Council. This is currently limited to the Women and Children's Aid with a discount of £3,416 in 2010/11.

## **7. STAFFING IMPLICATIONS**

7.1. There would be an increase in administration to operate amended discounts and additional work in recovery. In total this would probably amount to one additional post.

## **8. LOCAL MEMBER SUPPORT IMPLICATIONS**

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

## **9. LOCAL AGENDA 21 STATEMENT**

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

## **10. PLANNING IMPLICATIONS**

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

## **11. COMMUNITY SAFETY IMPLICATIONS**

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

## **12. HUMAN RIGHTS IMPLICATIONS**

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

## **13. BACKGROUND PAPERS**

13.1. Council Tax Information Letters 6/2003 and 7/2003.



**14. RECOMMENDATIONS**

- 14.1. That with regard to Second Homes and Local Discounts no amendment be made to the current discount levels for 2011-12.
- 14.2. That with regard to Long Term Empty Properties Members views are sought.
- 14.3. That the discounts of 50% for the refuge and 75% for both flats continue to be awarded to Wirral Women and Children's Aid for 2011-12.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/239/10

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## **WIRRAL COUNCIL**

### **CABINET**

**9 DECEMBER 2010**

## **REPORT OF THE DIRECTOR OF FINANCE**

### **BALANCE SHEET MANAGEMENT**

#### **- REVIEW OF BALANCES INCLUDING PROVISIONS AND RESERVES**

#### **1. EXECUTIVE SUMMARY**

- 1.1. This report is the mid-year review of the amounts held in balances, provisions and reserves. It recommends the release of those provisions and reserves no longer required to the General Fund balances.

#### **2. BALANCE SHEET MANAGEMENT**

- 2.1. Integral to the effective use of resources is an understanding of the overall financial position of the Authority. Regular reports are presented to Cabinet and to the Council Excellence Overview & Scrutiny Committee on financial monitoring in terms of the revenue position. This report provides a review of resources held on the Balance Sheet in the form of balances which includes those identified as provisions and reserves.
- 2.2. In addition to the Statement of Recommended Practice (SORP) there is further statutory guidance contained within the Local Authority Accounting Practice bulletin (LAAP 77) on reserves and balances. This is supplemented by Section 25 of the Local Government Act 2003 which requires me to comment on the adequacy of the General Fund balances and reserves in the setting of the annual budget.
- 2.3. Having regard to the statutory guidance and the management, control and risks associated with the Council finances the General Fund balances should be set at a minimum of 2% of the net revenue budget. Resources set-aside for specific purposes as provisions and reserves should be established and used in accordance with the purposes intended. The minimum level of new reserves and provisions is set at £20,000 unless these relate to amounts held in trust and all provisions and reserves are reviewed at least twice a year.

#### **3. GENERAL FUND BALANCE**

- 3.1. The General Fund balances are required to cushion the impact of unexpected events or emergencies, including unpredicted overspendings, on revenue budgets.

- 3.2. There is no statutory minimum level for the General Fund balances which are set at a level based upon my assessment of the strategic, operational and financial risks in managing the annual net revenue budget in the region of £330 million per year.
- 3.3. The Audit Commission has increasingly suggested to Local Authorities that the General Fund balances should be set at a minimum of 2% of the net revenue budget. For Wirral this equates to approximately £6.5 million. This requirement is reflected within the Medium Term Financial Strategy and the regular update reports to Cabinet on the Budget Projections.
- 3.4. I regard this as the minimum level required for four key reasons:
- (a) The additional sums that have been allocated, following the agreement of the Budget, in recent years to Adult and Children's care services.
  - (b) The pressures within Adult Social Services and Children & Young People in respect of care services and also in achieving income based targets which have been adversely affected by the economic situation.
  - (c) The increasing pressures to deliver enhanced services and further efficiencies from a reducing level of resources all add to the potential for spending not being kept within the resources allocated.
  - (d) The Spending Review 2010 and provisional Local Government Finance Settlement give a clear indication that Government support will be reduced in the future which will add to the pressures and demands upon the Authority resulting in increased risks to the stability of the budget
- 3.5. The importance of regular financial monitoring, particularly of the volatile areas within the departmental budgets, is integral to good financial management. The monthly Financial Monitoring Statement sent to all Members and the quarterly Performance and Financial Reviews to Cabinet continue to be strengthened.
- 3.6. Together with the General Fund balances, the Council also holds other balances in the form of reserves and provisions that are set aside to meet specific or potential liabilities.

#### 4. **PROVISIONS AND RESERVES**

- 4.1. The Council Constitution and Financial Regulations require that any provisions and reserves which are established are then monitored and used in accordance with statutory financial guidelines.

4.2. For each provision and reserve there needs to be a reason for / purpose of the provision / reserve and details of how and when the provision / reserve can be used. These are managed and controlled and are subject to a twice yearly review to ensure relevance and adequacy.

#### 4.3. **Provisions**

4.3.1. Provisions are amounts set aside for any material liabilities or losses that are likely or certain to be incurred but the exact amounts and dates are not currently known.

4.3.2. Appendix 1 provides details of all existing provisions including a narrative for the significant items together with details of their usage during the current financial year.

4.3.3. The review has identified the provisions that are to be used during 2010/11 or are required to be retained for the purposes intended.

#### 4.4. **Reserves**

4.4.1. Reserves are set aside by the Council to meet future expenditure such as decisions causing anticipated expenditure to be delayed. As such they are only available to be spent on specific purposes.

4.4.2. Appendix 2 provides details of all existing reserves including an explanatory narrative together with details of the usage during the current financial year.

4.4.3. The review identified those reserves that are to be used during 2010/11 and of the remainder there are a number being re-assessed in view of existing departmental financial pressures.

### 5. **FINANCIAL AND STAFFING IMPLICATIONS**

5.1. The minimum level of General Fund Balances, reflecting the financial management arrangements in place, has been assessed at £6.5 million and this sum is included in the Medium Term Financial Strategy and Budget projections for 2011/15.

5.2. The review has identified that, having regard to the risks involved, £1,232,000 of provisions and reserves could be returned to General Fund balances.

5.3. There are no staffing implications arising directly from this report.

**6. EQUAL OPPORTUNITY IMPLICATIONS**

6.1. There are none arising from this report.

**7. COMMUNITY SAFETY IMPLICATIONS**

7.1. There are none arising from this report.

**8. HUMAN RIGHTS IMPLICATIONS**

8.1. There are none arising directly from this report.

**9. LOCAL AGENDA 21 IMPLICATIONS**

9.1. There are none arising directly from this report.

**10. PLANNING IMPLICATIONS**

10.1. There are none arising directly from this report.

**11. MEMBER SUPPORT IMPLICATIONS**

11.1. There are none arising directly from this report.

**12. BACKGROUND PAPERS**

12.1 Local Authority Accounting Practice (LAAP 77) – Local Authority Reserves and Balances.

**13. RECOMMENDATION**

13.1. That, having regard to the risks involved, £1,232,000 be returned to General Fund Balances.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/245/10

**PROVISIONS**

**APPENDIX 1**

Department / Description	Balance 01/04/2010 £'000	To use in year £'000	Additions £'000	Return to balances £'000	Estimate 31/03/2011 £'000	Reason for / purpose of the provision
<b>Adult Social Services</b>						
Supported Living	241	(241)	-	-	-	Refunds resulting from charging policy
	241	(241)	-	-	-	
<b>Corporate Services</b>						
Wirral Council Match Funding	122	-	-	-	122	General sum to support revenue funded schemes
Merseyside Information Service	125	(18)	-	-	107	For costs of winding up the organisation
Local Development Framework	137	(50)	-	-	87	Residual sum to complete LDF studies
Early Voluntary Retirements	75	(25)	-	-	50	For costs of EVR within Corporate Services
Hoylake/West Kirby Match Fund	45	-	-	-	45	For contribution to Hoylake/West Kirby schemes
ERNACT	20	-	-	-	20	For outstanding commitments re ERNACT
M'side Environ Advisory Service	15	-	-	-	15	For Merseyside Environmental Advisory Service
Employment Land Study	7	-	-	-	7	Remaining costs of Employment Land Study
Empty Property	188	(188)	-	-	-	Capital receipts to be recycled in 2010/11
LAA Network Support	134	(134)	-	-	-	Residual allocation committed for 2010/11
Kelvinside Rent	97	(97)	-	-	-	For repayment to Central Government
Migration Impacts Fund	77	(77)	-	-	-	50% of 2009/10 Grant to be spent in 2010/11
Area Forum Funding	70	(70)	-	-	-	Remaining 2009/10 allocations for use in 2010/11
You Decide	31	(31)	-	-	-	Committed for use in 2010/11
Renewable Energy Study	20	(20)	-	-	-	Residual 2009/10 allocation committed
Merseyside Habitats Regulations	11	(11)	-	-	-	Residual 2009/10 allocation committed
	1,174	(721)	-	-	453	
<b>Finance</b>						
Housing Benefit Grants	3,153	-	-	-	3,153	For settlement of outstanding claims
Transformational Change	20	-	-	(20)	-	For part funding of fixed term posts - not required
Call Centre Equipment	2	(2)	-	-	-	For final payment for IT equipment
	3,175	(2)	-	(20)	3,153	

**PROVISIONS**

**APPENDIX 1**

<b>Department / Description</b>	<b>Balance 01/04/2010 £'000</b>	<b>To use in year £'000</b>	<b>Additions £'000</b>	<b>Return to balances £'000</b>	<b>Estimate 31/03/2011 £'000</b>	<b>Reason for / purpose of the provision</b>
<b>Law HR Asset Management</b>						
Voluntary First Registration	11	(11)	-	-	-	To cover Land Registry costs
	<u>11</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Technical Services</b>						
Highways Write Off	103	(86)	-	-	17	Provision for bad debt re. DLO.
Transport Write Off	60	(60)	-	-	-	Provision for bad debt re. transport division
Gateway Review	1	(1)	-	-	-	To meet costs arising from PACSPE
	<u>164</u>	<u>(147)</u>	<u>-</u>	<u>-</u>	<u>17</u>	
<b>TOTAL PROVISIONS</b>	<u><b>4,765</b></u>	<u><b>(1,122)</b></u>	<u><b>-</b></u>	<u><b>(20)</b></u>	<u><b>3,623</b></u>	



## RESERVES

## APPENDIX 2

Department / Description	Balance 01/04/2010 £'000	To use in year £'000	Additions £'000	Return to balances £'000	Estimate 31/03/2011 £'000	Reason for / purpose of the reserve
<b>Adult Social Services</b>						
Donations & specified funding	98	-	18	-	116	Funds from external groups for set purposes
Assistive Technology	400	(400)	-	-	-	To support assistive technology programme
End of Life Care	210	(210)	-	-	-	Skills development for domiciliary staff in projects in NW
	708	(610)	18	-	116	
<b>Children &amp; Young Persons</b>						
Schools balances	8,564	-	2	-	8,566	Balances ring fenced to schools
Connexions Partnership	4,690	-	-	-	4,690	To cover potential future pension liabilities
Schools Contributions to capital	449	-	64	-	513	Contributions towards capital schemes
Schools Automatic Meter Readers	415	-	-	-	415	To support carbon reduction in schools
Parent Teachers contributions	397	-	-	-	397	Contributions towards capital schemes
Schools Contingency	370	-	-	-	370	For unforeseen costs/changes in pupil numbers
PFI Capital	282	(70)	-	-	212	For works, beyond contract specification
School Improvement Reserve	150	-	28	-	178	To meet potential costs when strategy funding is transferred to schools
Children Centre Income	74	-	7	-	81	To meet possible Sure Start debts
External Funds	66	-	-	-	66	Grouped Reserves for Schools – Trips, etc
Anti-social behaviour	34	-	-	-	34	To fund anti-social behaviour team activity
Oaklands capital	32	-	-	-	32	Contribution towards capital costs at Oaklands
Wirral Girls Language College	24	-	-	-	24	C/fwd income from language college activities
Children's Workforce Development	18	-	-	-	18	To bring consistency to the way children and young people are listened to and looked after
Adoption & Fostering	7	-	-	-	7	For Adoption & Fostering Consortium
Dedicated Schools Grant	785	(785)	-	-	-	2009/10 Standards Fund for use by 31/08/10
Schools Harmonisation	600	(600)	-	-	-	To cover Phase 2 of the Local Pay Review
PFI Utilities	420	(420)	-	-	-	To cover spend on utilities under PFI contract
WASP/Youth Service/Cleaning	361	(361)	-	-	-	Funds b/fwd to be expended in 2010/11
Drug Action Team	297	(297)	-	-	-	PCT Funding to support DAT Programme

## RESERVES

## APPENDIX 2

Department / Description	Balance 01/04/2010 £'000	To use in year £'000	Additions £'000	Return to balances £'000	Estimate 31/03/2011 £'000	Reason for / purpose of the reserve
Summer Term Reserve	280	(280)	-	-	-	To cover cost of advisory teachers in event of schools not deciding to purchase services
Contact Point	200	(200)	-	-	-	To fund integrated working between agencies involved in the cases of Looked after Children.
Capital Financing Contributions	169	(169)	-	-	-	Contributions Clarendon and Stanley Schools
Music Service	130	(130)	-	-	-	For possible costs when strategy funding is transferred to schools
Nursery Education Grant	108	(108)	-	-	-	To fund nursery education
Baby P	105	(105)	-	-	-	To fund costs arising from Baby P review
Stop Gap	87	(87)	-	-	-	Young homeless independent living pilot
Multi Systemic Therapy	78	(78)	-	-	-	PCT contribution to MST programme
Transport	68	(68)	-	-	-	To equalise cost from number of Home to School Transport days per year
Aiming High	60	(60)	-	-	-	Support objectives of Aiming High (Willowtree)
Youth Offending Service	50	(50)	-	-	-	For use in the National Justice Board Keeping Young People Engaged Project
Children's Safeguarding	48	(48)	-	-	-	To fund service provision for Safeguarding
Connexions	37	(37)	-	-	-	To cover possible underpayment from 09/10
Integrated Children's System	30	(30)	-	-	-	Local customisation of ICS
Moving on	30	(30)	-	-	-	Designated support - long term placements
Treatment Fostering	23	(23)	-	-	-	To fund Treatment Fostering programme
Accommodation & Invest to Save	14	(14)	-	-	-	To fund improvements in economy & efficiency
	19,552	(4,050)	101	-	15,603	
<b>Corporate Services</b>						
Working Neighbourhoods Fund	11,779	-	-	-	11,779	To support NGA scheme and programme
Group Repair	880	-	112	-	992	To support HMRI renovation schemes
Home Improvement Agency	233	-	-	-	233	To maintain service with grant reductions
Local Development Framework	202	-	-	-	202	For funding the Planning Strategy work
Housing Initiatives	175	-	-	-	175	Support for HMRI & Empty Property initiatives
West Wirral Schemes	175	-	-	-	175	Allocated to West Wirral improvements
Homeless Prevention	120	-	-	-	120	To provide assistance to householders

## RESERVES

## APPENDIX 2

Department / Description	Balance 01/04/2010 £'000	To use in year £'000	Additions £'000	Return to balances £'000	Estimate 31/03/2011 £'000	Reason for / purpose of the reserve
EVR Costs	129	(25)	-	-	104	Departmental costs of staff released by EVR
Investment Strategy	133	(30)	-	-	103	Preparing/implementing Investment Strategy
Planning Compensation	95	-	-	-	95	Compensation in respect of planning decisions
Consultancy Support	30	-	-	(30)	-	For consultancy work to support SIT
Corporate Policy Support	100	(50)	-	-	50	For part funding of fixed term posts
Corporate PR Tourism Support	40	-	-	-	40	For meeting tourism/PR sponsorship
Business support marketing	30	-	-	-	30	Marketing strategy for Invest Wirral
PR Marketing	45	(20)	-	-	25	For Tourism Marketing support
Tenancy Deposits	25	-	-	-	25	Guarantee tenancy deposits – private landlords
Supporting People	1,632	(1,632)	-	-	-	To fund the Supporting People Programme
Local Area Agreement Grant	380	(380)	-	-	-	Funds held for partner projects
Seaside Town Strategy	200	(200)	-	-	-	For participatory budgeting
Community Cohesion	75	-	-	(75)	-	To return to balances
Energy Fund	41	(41)	-	-	-	To fund energy efficiency projects for dwellings
Business support	39	(39)	-	-	-	To support local businesses
International Links	20	-	-	(20)	-	To support international links
	16,578	(2,417)	112	(125)	14,148	
<b>Finance</b>						
Housing Benefits	10,859	(1,500)	-	-	9,359	Potential liabilities for repaying grant to DWP
Treasury Debt Management	8,076	-	-	-	8,076	For re-aligning debt portfolio / leases
Housing Benefits - Supporting People	4,436	-	-	-	4,436	Potential liabilities arising from the ongoing issue relating to HB Supporting People
Treasury MRP Adjustments	4,400	-	-	-	4,400	Costs from capital accounting changes (MRP)
Intranet Developments	1,633	(500)	-	-	1,133	Existing broadband and future IT developments
Housing Revenue Account	1,125	-	-	(1,000)	125	Liabilities arising from housing stock transfer
Matching Fund	395	-	-	-	395	For Council Contribution to Special Initiatives
One Stop Shops IT Networks	349	(100)	-	-	249	To develop IT within One Stop Shops
Schools Service IT	294	(50)	-	-	244	For year on year service changes / hardware
Printing Unit	185	-	-	-	185	For revenue shortfalls and equipment renewals
Finance Training	35	(35)	-	-	-	For equipment for Training rooms
Libraries	73	(42)	-	-	31	To fund events, books and equipment

## RESERVES

## APPENDIX 2

Department / Description	Balance 01/04/2010 £'000	To use in year £'000	Additions £'000	Return to balances £'000	Estimate 31/03/2011 £'000	Reason for / purpose of the reserve
ITS Corporate Network	110	(110)	-	-	-	IT corporate network hardware requirements
IT Replacement	29	(29)	-	-	-	IT replacement in training rooms
HB/CT Web based form	17	(17)	-	-	-	Web based claim form
ITS Training Reserve	10	(10)	-	-	-	IT staff training
Information Strategy	7	(7)	-	-	-	Hardware acquisition
	32,033	(2,400)	-	(1,000)	28,633	

**Law HR Asset Management**

Local Pay Review	6,375	-	-	-	6,375	Harmonisation and equal pay legislation
Community safety	130	-	-	-	130	To fund community safety expenditure
Admin Building Repairs	91	-	-	-	91	For repairs to administrative buildings
Asset Review	866	(778)	-	-	88	For costs arising from Asset Review
Caretakers' Lodges Repairs	80	(16)	-	-	64	Repairs & maintenance of caretakers' lodges
HR Systems	45	-	-	-	45	For developing HR systems
Coroners	82	(40)	-	-	42	For additional costs including long inquests
Parks & open spaces	33	-	-	-	33	To support improved services & facilities
Chief Exec Community Fund	20	-	8	-	28	For contributions for community schemes
Managed Property Repairs	25	-	-	-	25	For repairs on managed properties
Taxi Demand Survey	25	(15)	-	-	10	Court cost increases and 10/11 taxi survey
Dog Wardens Bequests	10	-	-	-	10	Private bequests for improvements to services
Sustainability	115	(115)	-	-	-	To support Sustainability policy option
Disabled access	100	(100)	-	-	-	Balance of 2009/10 allocation - committed
Legal Case Management	100	(50)	-	(50)	-	For costs of a legal case management system
HR Training	41	(41)	-	-	-	Leadership development programme contract
HR Occupational Health	37	(37)	-	-	-	For implementing/developing service provision
Dog Fouling	12	(12)	-	-	-	Completion of 2008/09 policy option
Planned Preventative Maintenance	11	(11)	-	-	-	Committed to cultural services PPM
	8,198	(1,215)	8	(50)	6,941	

## RESERVES

## APPENDIX 2

Department / Description	Balance 01/04/2010 £'000	To use in year £'000	Additions £'000	Return to balances £'000	Estimate 31/03/2011 £'000	Reason for / purpose of the reserve
<b>Technical Services</b>						
PCT - Physical Activities	300	(100)	-	-	200	From Wirral PCT to fund activities over 3 years
Heritage Fund	420	(250)	-	-	170	For support / preservation of Wirral heritage
Section 106 (TCPA)	166	(5)	-	-	161	For compliance with statutory obligations
Parks & open spaces	151	(21)	-	-	130	To support improved services & facilities
Play Area Reserve	115	(6)	-	-	109	To support provision of play areas
Vehicle Purchase	180	(80)	-	-	100	To purchase vehicles for transport division
Streetscape / Open Golf	100	-	-	-	100	Fund towards next open golf event
Silver Sports	62	-	-	-	62	For sports centre activities for Elderly People
Highway Maintenance	-	55	-	-	55	For risk improvement works to housing paths
Replacement Wheelie Bins	136	(105)	-	-	31	To replace bins through life of waste contract
Art Fund	35	(4)	-	-	31	For purchase of exhibits
Sport & Recreation	175	(165)	-	-	10	For improvements to current facilities/services
Leisure Review	3	(3)	-	-	-	To fund residual costs of Leisure Review
Energy Investment	310	(310)	-	-	-	To improve the efficiency of street lighting
Sport & Recreation pay review	300	(300)	-	-	-	For the cost of pay review
Structural Maintenance	250	(250)	-	-	-	For repairs following severe winter 2009
Street Lighting Upgrade	137	(100)	-	(37)	-	To fund street lighting upgrades
Asset Management	100	(100)	-	-	-	Building Control Asset Management Software
IT Upgrade	60	(60)	-	-	-	To fund IT Initiatives
	3,000	(1,804)	-	(37)	1,159	
<b>TOTAL RESERVES</b>	<b>80,069</b>	<b>(12,601)</b>	<b>344</b>	<b>(1,212)</b>	<b>66,600</b>	

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## WIRRAL COUNCIL

### CABINET

9 DECEMBER 2010

## REPORT OF THE DIRECTOR OF FINANCE

### ACTUARIAL VALUATION AS AT 31 MARCH 2010

#### 1. EXECUTIVE SUMMARY

- 1.1 This report summarises the results of the 2010 Actuarial Valuation of the Pension Fund and the implications for Wirral Council.

#### 2. BACKGROUND

- 2.1 An actuarial valuation of the Pension Fund is carried out every three years. The information from the previous valuation is updated to take into account the movements of the assets of the Fund compared to the present and future liabilities, which are recalculated.

- 2.2 At the start of the three year period the Actuary, Mercer will have made a number of assumptions to try to forecast the key factors affecting the assets and liabilities over the period. Financially these are the assumed rates of:

- Investment return
- Future increases in pensionable pay
- Future pension increases
- Future increases in index linked stock proceeds.

In addition to the financial assumptions other factors estimated include:

- Average age of retirement
- Rates of ill-health retirement
- Rates of mortality
- Withdrawals from active membership
- Proportions married and age differences between spouses.

- 2.3 The actual experience over the period is then substituted for the assumptions and the revised value of the assets compared to the aggregate estimated liabilities of every individual member whether active, deferred, or pensioner. A separate calculation is made for each employer so that its share of the assets is compared to the liabilities of its employees.

- 2.4 Any other factors affecting the finances of the Fund are also taken into account. In the current valuation these include national changes such as the decision to index future cost of living increases to the Consumer Price Index (CPI) rather than the Retail Price Index (RPI).
- 2.5 The Actuary has also taken into consideration the revised Funding Strategy Statement (FSS) which is the subject of a separate report on this agenda and the revised Statement of Investment Principles reflecting recommended changes to the Asset Allocation policy following the recent valuation.

**3. THE VALUATION RESULTS – FINANCIAL IMPLICATIONS**

- 3.1 The market value of the Fund has increased from £4.301 billion as at 31 March 2007 to £4.690 billion at 31 March 2010.
- 3.2 The past service liabilities have been assessed as follows:

	£million
Active members' accrued benefits	£2,725
Deferred pensioners	£ 703
Pensioners (including dependents)	<u>£2,588</u>
Total	£6,016

- 3.3 This gives a deficit of £1,326 million and a funding level of 78% compared to a deficit of £1,063 million and a funding level of 80%, at the previous valuation as at 31 March 2007.
- 3.4 The deficit is in respect of benefits for service to date of current active members and has to be recovered from employers.  
  
The total average contribution rate will therefore be 18.1% (25 year deficit recovery) or 21.7% (15 year deficit recovery, excluding any allowance for the risk premium loading for certain admission bodies).
- 3.5 This is compared to 17.8% (25 years) and 20.9% (15 years) at 31 March 2007. The actual rates vary however according to the individual experiences of employers.
- 3.6 All employers will continue to be required to meet costs arising from early retirements over either a period of up to five years or by an immediate lump sum payment. Requests from employers to fund the cost of Augmentation awards made under Regulation 12 in this way will also be considered.
- 3.7 The Actuary has updated the mortality assumptions. The allowance made takes account of recent improving national trends but modified to reflect local experience. This is an area which will need to be kept under review and it might be necessary to adjust these mortality assumptions again at the next actuarial valuation in 2013.
- 3.8 The deficit recovery periods used are in line with the policy set out in the revised Funding Strategy Statement; with a 25 year maximum period being used for scheduled bodies and subject to any special agreement, the recovery maximum period for other employers continuing to be set at the present period of up to 15 years. The recovery period for those organisations with a limited lifespan may be less than 15 years.



3.9. Employers will have the freedom to adopt a recovery plan on the basis of a shorter period if they so wish. A shorter period may also be applied in respect of particular employers where the Administering Authority considers this to be warranted.

3.10. The revised FSS reflects the recommendations of the Actuary that in current circumstances, as a general rule, it would not be appropriate for contribution reductions to apply where substantial deficits apply. As a result in addition to the maximum deficit recovery period of 25 years, MPF will operate a default deficit recovery period, set at 20 years for scheduled and resolution bodies and 10 years for non -Transferee admission bodies at the 2010 valuation. All employers in deficit will be required to adopt a deficit recovery period in line with the default period (or shorter) before any reduction in overall contributions would be allowed

### 3.11 Method of expressing and payment of employer contributions

With effect from 1 April 2011 employer contributions will be expressed and certified as two separate elements:

- (1) a percentage of pensionable payroll in respect of future accrual of benefits, and
- (2) a schedule of fixed amounts over 2011/14, building in an allowance for increases annually in line with the valuation funding assumption for long term pay growth, in respect of the past service deficit or surplus subject to review from April 2014 based on the results of the 2013 actuarial valuation.

3.12. For Wirral the current contributions rate is 17.6% which equates to £19.036m for the General Fund and £7.116m for Schools.

3.13. From 1 April 2011 the future service rate will be 12%. The total payments will be:-

	General Fund		Schools	
	Total £000	Increase £000	Total £000	Increase £000
2010-11	19,036		7,116	
2011-12	19,797	761	7,411	295
2012-13	20,078	281	7,520	109
2013-14	20,402	324	7,646	126

## 4. STAFFING IMPLICATIONS

4.1 There are no staffing implications in this report.

## 5. EQUAL OPPORTUNITY IMPLICATIONS

5.1 There are none arising directly from this report.

## 6. HUMAN RIGHTS IMPLICATIONS

6.1 There are none arising directly from this report.

**7. COMMUNITY SAFETY IMPLICATIONS**

7.1 There are no specific implications arising from this report.

**8. LOCAL MEMBER SUPPORT IMPLICATIONS**

8.1 There are no specific implications for any Member or Ward.

**9. LOCAL AGENDA 21 IMPLICATIONS**

9.1 There are no specific implications arising from this report.

**10. PLANNING IMPLICATIONS**

10.1 There are no specific implications arising from this report.

**11. BACKGROUND PAPERS**

11.1 Merseyside Pension Fund 2010 Actuarial Valuation – Mercer.

**12. RECOMMENDATION**

12.1. That the revised contribution rates be agreed.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/241/10

## **WIRRAL COUNCIL**

### **CABINET**

**9 DECMEBER 2010**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **MERSEYSIDE PENSION FUND - FUNDING STRATEGY STATEMENT**

##### **1. EXECUTIVE SUMMARY**

- 1.1 This report presents the amended Funding Strategy Statement (FSS) reflecting updated advice received from the Actuary on dealing with arrangements for funding employer contributions and the revised Statement of Investment Principles (SIP) following completion of the 31 March 2010 actuarial valuation. The FSS was agreed by the Pensions Committee on 16 November 2010. It is presented to the Cabinet as best practice as recommended by the Department for Communities and Local Government.

##### **2. CURRENT FUNDING STRATEGY STATEMENT**

- 2.1 The previous Funding Strategy Statement (FSS) was approved by the Pensions Committee on 22 September 2009.
- 2.2 The Local Government Pension Scheme (Administration) Regulations 2008 require that each Administering Authority revise and publish a Funding Strategy Statement wherever there is a material change in either the policy on matters set out in the FSS or the Statement of Investment Principles (SIP).

##### **3. REVISED FUNDING STRATEGY STATEMENT**

- 3.1 Following consultation with Scheme Employers the assumptions and methodology set out below were used in completion of the valuation and determination of employer contribution rates.
- 3.2 **Mortality**
- 3.2.1. Assumptions based on the most up to date information published by the Continuous Mortality Investigation Bureau, making allowance for future improvements in longevity and the experience of the LGPS.

### **3.3 Future Ill Health Experience & Other Demographics**

- 3.3.1. Following an analysis carried out by the Actuary, the ill health and proportions married assumptions have been modified from the 2007 valuation.

### **3.4 Recovery Plan and period for deficit repayment**

- 3.4.1. A maximum deficit recovery period of 25 years will apply for scheme employers and a 15 year maximum period will apply to admitted bodies. For employers who do not admit new members, the recovery period will be limited to the future working lifetime of the membership or 15 years if shorter. Shorter periods will also be applied for employers who have a limited participation in the MPF.
- 3.4.2. Employers will have the freedom to adopt a recovery plan on the basis of a shorter period if they so wish. A shorter period may also be applied in respect of particular employers where the Administering Authority considers this to be warranted.
- 3.4.3. The revised FSS reflects the recommendations of the Actuary that in current circumstances, as a general rule, it would not be appropriate for contribution reductions to apply where substantial deficits apply. As a result in addition to the maximum deficit recovery period of 25 years, MPF will operate a default deficit recovery period, set at 20 years for scheduled and resolution bodies and 10 years for non -Transferee admission bodies at the 2010 valuation. All employers in deficit will be required to adopt a deficit recovery period in line with the default period (or shorter) before any reduction in overall contributions would be allowed.

### **3.5 Method of expressing, and payment of, employer contributions**

- 3.5.1. With effect from 1 April 2011 employer contributions will be expressed and certified as two separate elements:
- (1) a percentage of pensionable payroll in respect of future accrual of benefits, and
  - (2) a schedule of fixed amounts over 2011/14, building in an allowance for increases annually in line with the valuation funding assumption for long term pay growth, in respect of the past service deficit or surplus subject to review from April 2014 based on the results of the 2013 actuarial valuation.

### **3.6 New Community Admission Body (CAB) admissions**

- 3.6.1. For new Community Admission Body (CAB) admissions only, from 1 April 2011, who do not have a guarantor of sufficient financial standing based on the assessment of the Administering Authority, the basis of assessment for both the contributions and termination will be on a gilts or “least risk” basis. The employer’s assets will then be deemed to be invested in Government bonds of the appropriate duration to the liabilities and be credited with the returns derived from such assets based on the advice of the Actuary.
  
- 3.6.2. Where a guarantor is available the assessment will be on the normal valuation basis if the guarantor agrees to underwrite the obligations of the employer in the long term.

### **3.7 Optional funding basis for other Admission Bodies**

- 3.7.1. From 1 April 2011 all existing admitted bodies up to that date, will have the option of adopting a funding basis in line with the existing termination approach based on corporate bond yields. The employer’s assets will then be deemed to be invested in corporate bonds of the appropriate duration to the liabilities and be credited with the returns derived from such assets on the advice of the Actuary.
  
- 3.7.2. In all cases the Administering Authority will reserve the right to apply a different approach at its sole discretion taking into account the risk associated with an employer in proportion to the Fund as a whole.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 There are none arising directly from this report.

## **5. STAFFING IMPLICATIONS**

- 5.1 There are none arising directly from this report.

## **6. EQUAL OPPORTUNITY IMPLICATIONS**

- 6.1 There are none arising directly from this report.

## **7. HUMAN RIGHTS IMPLICATIONS**

- 7.1 There are none arising directly from this report.

**8. COMMUNITY SAFETY IMPLICATIONS**

8.1 There are no specific implications arising from this report.

**9. LOCAL MEMBER SUPPORT IMPLICATIONS**

9.1 There are no specific implications for any Member or Ward.

**10. LOCAL AGENDA 21 IMPLICATIONS**

10.1 There are no specific implications arising from this report.

**11. PLANNING IMPLICATIONS**

11.1 There are no specific implications arising from this report

**12. BACKGROUND PAPERS**

12.1 Merseyside Pension Fund 2010 Actuarial Valuation – Mercer

**13. RECOMMENDATION**

13.1. That the Cabinet note the revised Funding Strategy Statement.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/235/10

## **Funding Strategy Statement 2010 (draft)**

### **Introduction**

The Local Government Pension Scheme (Administration) Regulations 2008 replaced the Local Government Pension Scheme Regulations 1997 providing the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS). The key requirements for preparing the FSS can be summarised as follows:

- After consultation with all relevant interested parties involved with the Fund the Administering Authority will prepare and publish its funding strategy;
- In preparing the FSS, the Administering Authority must have regard to the guidance issued by CIPFA for this purpose; and the revised **Statement of Investment Principles (SIP)** for the Fund dated 16 November **2010** published under **Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended)**;
- The FSS must be revised and published whenever there is a material change in either the policy on the matters set out in the FSS or the SIP.

Benefits payable under the Fund are guaranteed by statute and thereby the pensions promise is secure. The FSS addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time, facilitating scrutiny and accountability through improved transparency and disclosure.

The Fund is a defined benefit scheme under which the benefits are specified in the governing legislation -

- The LGPS (Benefits, Contributions & Membership) Regulations 2007 (as amended), “the BMC Regulations”

The required levels of employee contributions are also specified in the Regulations. Employer contributions are determined in accordance with the Regulations (currently principally Administration Regulation 36) which require that an actuarial valuation is completed every three years by the actuary, including a rates and adjustments certificate.

Contributions to the Fund should be set so as to “secure its solvency”, whilst the actuary must also have regard to the desirability of maintaining as nearly constant a rate of contribution as possible. The actuary must have regard to the FSS in carrying out the valuation.

## **Purpose of the FSS in policy terms**

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made.

Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the actuary.

### **The purpose of this Funding Strategy Statement is:**

- To establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- To support the regulatory requirement to maintain as nearly constant employer contribution rates as possible; and
- To take a prudent longer-term view of funding those liabilities.

The intention is for this strategy to be both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting objectives which need to be balanced and reconciled.

Whilst the position of individual employers must be reflected in the statement, it must remain a single strategy for the Administering Authority to implement and maintain.



## **Aims and Purposes of the Fund**

### **The aims of the Fund are to:**

- Enable employer contribution rates to be kept as nearly constant as possible and at a reasonable and affordable cost to the taxpayers, scheduled, resolution and admitted bodies
- Manage employers' liabilities effectively
- Ensure that sufficient resources are available to meet all liabilities as they fall due, and
- Maximise the returns from investments within reasonable risk parameters.

### **The purpose of the Fund is to:**

- Receive monies in respect of contributions, transfer values and investment income, and
- Pay out monies in respect of Fund benefits, transfer values, costs, charges and expenses, as defined in the various Local Government Pension Scheme Regulations:
  - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended)
  - The Local Government Pension Scheme (Administration) Regulations 2008 (as amended), and
  - The Local Government Pension Scheme (Benefits, Contributions & Membership) Regulations 2007 (as amended)

## **Responsibilities of the Key Parties**

These are as set out in the relevant regulations as amended from time to time:

- The LGPS (Administration) Regulations,
- The LGPS (Benefits, Contributions & Membership) Regulations and
- The LGPS (Transitional Provisions) Regulations 2007, “the Regulations”.

### **The Administering Authority should:**

- Collect employer and employee contributions
- Invest surplus monies in accordance with the underlying legislation
- Ensure that cash is available to meet liabilities as and when they fall due
- Manage the valuation process in consultation with the actuary
- Prepare and maintain an FSS and a SIP, both after due consultation with interested parties, and
- Monitor all aspects of the Fund’s performance and funding and amend FSS/SIP.

### **The Individual Employer should:**

- Deduct contributions from employees’ pay correctly
- Pay all contributions, including their own as determined by the actuary, promptly by the due date
- Exercise discretions within the regulatory framework
- Make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of Fund benefits, early retirement strain, and
- Notify the Administering Authority promptly of all changes to membership or, as may be proposed, which affect future funding.

### **The Fund Actuary should:**

- Prepare valuations including the setting of employers’ contribution rates after agreeing assumptions with the Administering Authority and having regard to the FSS
- Prepare advice and calculations in connection with bulk transfers and individual benefit-related matters, and

Advise on funding strategy, the preparation of the FSS, and the inter-relationship between the FSS and the SIP.

## **Solvency issues and target funding levels**

### **The funding objective:**

To meet the requirements of the Administration Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "**funding target**") assessed on an ongoing basis including allowance for projected final pay.

Determination of the funding target and recovery period:

The principal method and assumptions to be used in the calculation of the **funding target** are set out in the Appendix. Underlying these assumptions are the following two tenets:

- That the Scheme is expected to continue for the foreseeable future; and
- Favourable investment performance can play a valuable role in achieving adequate funding over the longer term.

As part of each valuation separate employer contribution rates are assessed by the actuary for each participating employer or group of employers. These rates are assessed taking into account the experience and circumstances of each employer (or employer grouping), following a principle of no cross-subsidy between the various employers in the Scheme. In attributing the overall investment performance obtained on the assets of the Scheme to each employer a pro-rata principle is adopted. This approach is effectively one of applying a notional individual employer investment strategy identical to that adopted for the Scheme as a whole unless agreed otherwise between the employer and the Fund at the sole discretion of the Administering Authority.

The Administering Authority, following consultation with the participating employers, has adopted the following objectives for setting the individual employer contribution rates:

- LEA Schools and certain other employers within the Fund have been grouped with the respective Council.

A maximum deficit recovery period of [25] years will apply for scheme employers and a [15] year maximum period will apply to admitted bodies. For employers who do not admit new members, the recovery period will be limited to the future working lifetime of the membership or 15 years if shorter. Shorter periods will also be applied for employers who have a limited participation in the Fund. Employers will have the freedom to adopt a recovery plan on the basis of a shorter period if they so wish. A shorter period may also be applied in respect of particular employers where the Administering Authority considers this to be warranted (see **Deficit Recovery Plan** on page 8).

In current circumstances, as a general rule, the Fund does not believe it appropriate for contribution reductions to apply where substantial deficits apply. As a result in addition to the maximum deficit recovery period of 25 years, the Fund will operate a default deficit recovery period, set at [20] years for scheduled and resolution bodies and [10] years for non-Transferee admission bodies at the 2010 valuation. All employers in deficit will be required to adopt a deficit recovery period in line with the default period (or shorter) before any reduction in overall contributions would be allowed.

• With effect from April 2011 employer contributions will be expressed and certified as two separate elements:

- a percentage of pensionable payroll in respect of future accrual of benefits
- a schedule of fixed £s amounts over 2011/14, building in an allowance for increases annually in line with the valuation funding assumption for long term pay growth, in respect of the past service deficit or surplus subject to review from April 2014 based on the results of the 2013 actuarial valuation.

Where an employer is in a surplus position the fixed amount deduction from the future service rate will be subject to a threshold of £1,000 below which no deduction will be made.

- Unless agreed otherwise by the relevant Scheme Employer any Transferee admission bodies will be treated in the same way as the original Scheme Employer.
- Where the employer contributions required from 1 April 2011 increase significantly in terms of the employer's pay following completion of the 2010 actuarial valuation, the increase from the rates of contribution payable in the year 2010/11 may be phased in over a maximum period of 3 years.
- On the cessation of an employer's participation in the Scheme, the actuary will be asked to make a termination assessment. Any deficit in the Scheme in respect of the employer will be due to the Scheme as a termination contribution, unless it is agreed by the Administering Authority and the other parties involved that the assets and liabilities relating to the employer will transfer within the Scheme to another participating employer.

Depending on the circumstances of the termination event this assessment and in particular whether another Fund employer is prepared to act as guarantor to the residual liabilities will incorporate a more cautious basis of assessment of the final liabilities for the employer. Where it may be appropriate to use a more cautious basis the financial assumptions used will be derived to be consistent with the equivalent assumptions adopted for the FRS17 accounting standard for current employers in the Fund. This is subject to the financial assumptions used being no less cautious than the equivalent valuation assumptions updated appropriately based on the advice of the actuary. Full details of the approach to be adopted for such an assessment on termination are set out in the separate termination policy report dated 28 January 2008 [to be updated].

- For new Community Admission Body (CAB) admissions only from 1 April 2011, who do not have a guarantor of sufficient financial standing based on the assessment of the Administering Authority, the basis of assessment for both the contributions and termination will be on a gilts or "least risk" basis. The employer's assets will then be deemed to be invested in government bonds of the appropriate duration to the liabilities and be credited with the returns derived from such assets based on the advice of the Actuary. Where a guarantor is available the assessment will be on the normal valuation basis if the guarantor agrees to underwrite the obligations of the employer in the long term.

- From 1 April 2011 all existing admitted bodies up to that date will have the option of adopting a funding basis in line with the existing termination approach based on corporate bond yields. The employer's assets will then be deemed to be invested in corporate bonds of the appropriate duration to the liabilities and be credited with the returns derived from such assets on the advice of the Actuary.
- In all cases the Administering authority reserves the right to apply a different approach at its sole discretion taking into account the risk associated with an employer in proportion to the Fund as a whole. Any employer affected will be notified separately.

In determining the above objectives the Administering Authority has had regard to:

- the responses made to the consultation with employers on the FSS principles
- relevant guidance issued by the CIPFA Pensions Panel
- the need to balance a desire to attain the target as soon as possible against the short-term cash requirements which a shorter period would impose, and the Administering Authority's views on the strength of the participating employers' covenants in achieving the objective.
- The need to minimise the risks to the Fund from its admission arrangements by strengthening its admission arrangements and pursuing a policy of positive engagement.

## **Deficit recovery plan**

If the assets of the scheme relating to an employer are less than the **funding target** at the effective date of any actuarial valuation, a recovery plan will be put in place, which requires additional contributions from the employer to meet the shortfall.

Additional contributions will be expressed as a monetary lump sum.

In determining the actual recovery period to apply for any particular employer or employer grouping, the Administering Authority may take into account some or all of the following factors:

- The size of the funding shortfall;
- The business plans of the employer;
- The assessment of the financial covenant of the Employer, and security of future income streams;
- Any contingent security available to the Fund or offered by the Employer such as guarantor or bond arrangements, charge over assets, etc.
- Length of expected period of participation in the Fund.

For those employers with no guarantor or bond arrangements in place, a higher **funding target** will be adopted. The contribution rate for these employers will be determined to target a funding position of [120]% for the liabilities of the current active membership. The **funding target** for the non-active liabilities will be as defined earlier. The principles around the recovery period will be as noted earlier after the change in funding target has been applied.

The Administering Authority has the discretion to vary the recovery periods to a maximum period of [25] years and **funding target** in the FSS subject to satisfactory assurances over the financial covenant of an employer.

## **The normal cost of the scheme (future service contribution rate)**

In addition to any contributions required to rectify a shortfall of assets below the **funding target** contributions will be required to meet the cost of future accrual of benefits for members after the valuation date (the “normal cost”). The method and assumptions for assessing these contributions on the normal valuation basis are also set out in the Appendix.

## **Funding For Non-III Health Early Retirement Costs**

Employers are required to meet all costs of early retirement strain either by immediate capital payments into the Fund or in certain circumstances by agreement with the Fund, by instalments over a period not exceeding 5 years or if less the remaining period of the body's membership of the Fund.

## **Link to Investment Policy in the SIP**

The results of the 2010 valuation show the liabilities to be 78% (compared to 80% at 31 March 2007) covered by the current assets, with the funding deficit of 22% being covered by future deficit contributions.

In assessing the value of the Fund's liabilities in the valuation, allowance has been made for asset out-performance as described in the Appendix on page 14, taking into account the investment strategy adopted by the Fund, as set out in the SIP.

It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. However, it is possible to construct a portfolio which closely matches the liabilities and represents the least risk investment position. Such a portfolio would consist of a mixture of long-term index-linked and fixed interest gilts.

Investment of the Fund's assets in line with the least risk portfolio would minimise fluctuations in the Fund's ongoing funding level between successive actuarial valuations.

If, at the valuation date, the Fund had been invested in this portfolio, then in carrying out the valuation it would not be appropriate to make any allowance for out-performance of the investments or any adjustment to the market implied inflation assumption due to supply / demand distortions in the bond markets. On this basis of assessment, the assessed value of the Fund's liabilities at the 31 March 2010 valuation would have been significantly higher and the declared funding level would be correspondingly lower at 58%.

Departure from a least risk investment strategy, in particular to include equity investments, gives the prospect that out-performance by the assets will, over time, reduce the contribution requirements. The funding target might in practice therefore be achieved by a range of combinations of funding plan, investment strategy and investment performance.

## Proposed Benchmark Investment Strategy and Asset Allocation

The proposed benchmark investment strategy and asset allocation to be set out in the SIP is shown in *Table 1*

<b>Asset</b>	<b>Benchmark</b>	<b>Benchmark Index</b>
<b>UK Equities</b>	<b>25</b>	FTSE ALL SHARE INDEX
<b>Overseas Equities</b>	<b>30</b>	
US Equities		8 FTSE AW NORTH AMERICA UK
European Equities		8 FTSE WORLD EUROPE EX UK
Japan		4 FTSE AW JAPAN
Pacific		4 FTSE AW DEV ASIA PAC EX JAPAN
Emerging Markets		6 MSCI EMERGING MARKETS FREE
<b>Fixed Interest</b>	<b>20</b>	
UK Gilts		4 FTSE A ALL STOCKS
Overseas Gilts		0 JPM GLOBAL GOVT EX UK
UK Index Linked		12 FTSE UK GILTS INDEXED ALL STKS
Corporate Bonds		4 ML 3 NON GILTS
<b>Property</b>	<b>10</b>	IPD ALL PROPERTIES INDEX
<b>Venture Capital/Other Investments</b>	<b>14</b>	GBP 7 DAY LIBID
<b>Cash</b>	<b>1</b>	GBP 3 MONTH LIBID
<b>Total</b>	<b>100</b>	<b>SPECIFIC BENCHMARK</b>

(Table 1: MPF Multi Asset Portfolio)

The funding strategy adopted for the 2010 valuation was based on an assumed asset out-performance of [2%] in respect of liabilities pre-retirement, and [1%] in respect of post-retirement liabilities. Based on the liability profile of the Fund at the valuation, this equated to a long term overall asset out-performance allowance of [1.4%] p.a.

The Administering Authority believes that this is a reasonable and prudent allowance for asset out-performance, based on the investment strategy adopted as set out in the SIP.

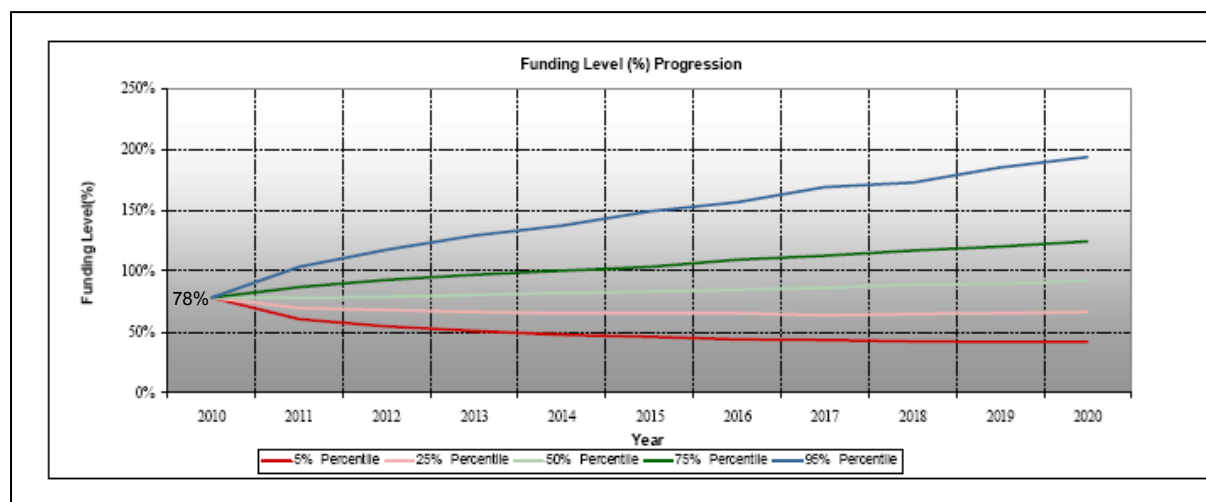


## Identification of risks and counter-measures

The funding of defined benefits is by its nature uncertain. Funding of the Fund is based on both financial and demographic assumptions. These assumptions are specified in the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back into line with the target.

The Administering Authority has been advised by the actuary that the greatest risk to the Fund's funding is the investment risk inherent in the predominantly equity based strategy, so that actual asset out-performance between successive valuations could diverge significantly from the overall 1.4% per annum assumed in the long term.

The chart below shows a "funnel of doubt" funding level graph, which illustrates the probability of exceeding a certain funding level over a 10 year period from the valuation date. For example, the top line shows the 95th percentile level (i.e. there is a 5% chance of the projected funding level at each point in time being better than the funding level shown and a 95% chance of the funding level being lower). The graph adopts the 2010 actuarial valuation results as a starting point, and allows for the expected contributions into the Fund assuming a [25] year recovery period. An overall out-performance over and above gilts yields has been assumed in line with best estimate market expectations, together with a continuation of the current investment strategy as outlined above.



### The following key risks have been identified:

#### Financial

- Investment markets fail to perform in line with expectations
- Market yields move at variance with assumptions
- Investment Fund Managers fail to achieve performance targets over the longer term
- Asset re-allocations in volatile markets may lock in past losses
- Pay and price inflation significantly more or less than anticipated
- Effect of possible increase in employer's contribution rate on service delivery and admitted/scheduled bodies

## **Demographic**

- Longevity horizon continues to expand
- Deteriorating pattern of early retirements (including those granted on the grounds of ill health)

## **Regulatory**

- Changes to Regulations, e.g. more favourable benefits package, potential new entrants to Fund, e.g. part-time employees
- Changes to national pension requirements and/or Inland Revenue rules

## **Governance**

Wirral Borough Council as the administering authority for Merseyside Pension Fund has delegated responsibility and accountability for overseeing the Fund to the Pensions Committee.

The Pensions Committee is made up of ten Members nominated by Wirral, one nominated from each of the other four metropolitan authorities and a representative of the other admitted and scheduled bodies elected by ballot. There are three members drawn from trade unions representing all actives, deferred members and pensioners. Aside from the representative Member, changes to Committee membership are subject to the political leadership of the Councils, although efforts are made to limit rotation where possible.

The Committee meets 4 to 5 times a year and has set up an Investment Monitoring Working Party which meets at least 6 times a year to monitor investment performance and developments. The Committee has delegated powers to the Director of Finance for the day to day running of the Fund.

There is a clear decision making process for the operations of the Fund, major decisions are taken and minuted at monthly Fund Operating Group meetings attended by the Director and Deputy Director of Finance and senior MPF managers.

There is a significant resource dedicated on an annual basis for Member training which is provided both internally and externally.

The Pensions Administration Strategy (PAS) sets out clear standards of service to members by defining employer and Fund responsibilities in administering the Scheme and sets out the requirements for the two way flow of information. The employer should notify the administering authority of the following events.

- Structural change in employer's membership e.g. large fall in employee numbers or large number of retirements.
- A closure in accessibility of the scheme to new entrants.
- An employer ceasing to exist.

## **Monitoring and Review**

The Administering Authority has taken advice from the actuary in preparing this Statement, and has also consulted with the employers participating in the Fund.

A full review of this Statement will occur no less frequently than every three years, to coincide with completion of a full actuarial valuation. Any review will take account of then current economic conditions and will also reflect any legislative changes.

The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed (other than as part of the triennial valuation process), for example:

- If there has been a significant change in market conditions, and/or deviation in the progress of the funding strategy
- If there have been significant changes to the Fund membership, or LGPS benefits
- If there have been changes to the circumstances of any of the employing authorities to such an extent that they impact on or warrant a change in the funding strategy
- If there have been any significant special contributions paid into the Fund.

## **Appendix**

### **Actuarial Valuation as at 31 March 2010**

#### **Method**

The actuarial method to be used in the calculation of the funding target is the Projected Unit method, under which the salary increases assumed for each member are projected until that member is assumed to leave active service by death, retirement or withdrawal from service. This method implicitly allows for new entrants to the scheme on the basis that the overall age profile of the active membership will remain stable. As a result, for those employers which are closed to new entrants, unless specifically agreed otherwise, an alternative method is adopted (the Attained Age method), which makes advance allowance for the anticipated future aging and decline of the current closed membership group.

#### **Financial assumptions**

##### **Investment Return (Discount Rate)**

A yield based on market returns on UK Government gilt stocks and other instruments which reflects a market consistent discount rate for the profile and duration of the Scheme's accrued liabilities, plus an Asset Out-performance Assumption ("AOA") of [2%] p.a. for the period pre-retirement and [1%] p.a. post-retirement.

The asset out-performance assumptions represent the allowance made, in calculating the funding target, for the long term additional investment performance on the assets of the Fund relative to the yields available on long dated gilt stocks as at the valuation date. The allowance for this out-performance is based on the liability profile of the Scheme, with a higher assumption in respect of the "pre-retirement" (i.e. active and deferred pensioner) liabilities than for the "post-retirement" (i.e. pensioner) liabilities.

This approach thereby allows for a gradual shift in the overall equity/bond weighting of the Fund as the liability profile of the membership matures over time.

##### **Individual Employers**

Having determined the AOAs as above for the Fund overall, it is important to consider how the financial assumptions in particular impact on individual participating employers. As employers in the Fund will have different mixes of active, deferred and pensioner members, adopting a different pre/post retirement investment return approach is equivalent to hypothecating a different equity/bond mix investment strategy for each employer. Such an approach would be inconsistent with the Fund practice, as set out in the FSS, of allocating investment performance pro rata across all employers based on a "mirror image" investment strategy to the whole Fund except where agreed between the employer and Fund at the sole discretion of the Administering Authority. In completing the calculations for individual employers therefore, a single, composite, pre and post retirement asset out-performance assumption of [1.4%] p.a. has been calculated which, for the Fund as a whole, gives the same value of the funding target as the separate pre and post retirement AOAs.

## **Inflation (Consumer Prices Index)**

The inflation assumption will be taken to be the investment market's expectation for inflation as indicated by the difference between yields derived from market instruments, principally conventional and index-linked UK Government gilts as at the valuation date, reflecting the profile and duration of the Scheme's accrued liabilities. An adjustment to allow for supply/demand distortions in the bond market is incorporated. The Chancellor announced, in his Emergency Budget in June 2010, that retirement pensions would be increased annually by the change in the Consumer Price Index rather than the Retail Price Index. This change will apply from April 2011 and the assumptions make due allowance for this revision as advised by the Actuary.

## **Salary increases**

The assumption for real salary increases (salary increases in excess of price inflation) will be determined by an allowance of [1.5%] p.a. over the inflation assumption as described above. This includes allowance for promotional increases. This has been modified from the previous adopted assumption (of 1.25% above the RPI inflation assumption) to reflect the change in inflation assumption from RPI to CPI. This change reasonably incorporates the effect of the recent announcements on pay restraint in the public sector.

## **Pension increases**

Increases to pensions are assumed to be in line with the inflation (CPI) assumption described above. This is modified appropriately to reflect any benefits which are not fully indexed in line with the CPI (e.g. Guaranteed Minimum Pensions in respect of service prior to April 1997).

## **Mortality**

The mortality assumptions will be based on the most up-to-date information published by the Continuous Mortality Investigation Bureau, making allowance for future improvements in longevity and the experience of the scheme. The mortality tables used are set out below, with a loading reflecting Scheme specific experience. The derivation of the mortality assumption is set out in a separate paper as supplied by the Actuary. Members who retire on the grounds of ill health are assumed to exhibit average mortality equivalent to that for a good health retiree at an age 3 years older. For all members, it is assumed that the accelerated trend in longevity seen in recent years will continue in the longer term and as such, the assumptions build in a minimum level of longevity 'improvement' year on year in the future in line with the CMI projections subject to a minimum rate of improvement of 1% per annum.

## **Commutation**

It has been assumed that, on average, 50% of retiring members will take the maximum tax-free cash available at retirement and 50% will take the standard 3/80ths cash sum. The option which members have to commute part of their pension at retirement in return for a lump sum is a rate of £12 cash for each £1 p.a. of pension given up.

## **Other Demographics**

Following an analysis of Fund experience carried out by the Actuary, the ill health and proportions married assumptions have been modified from the 2007 valuation. Other assumptions are as per the 2007 valuation.

## **Method and assumptions used in calculating the cost of future accrual**

The cost of future accrual (normal cost) will be calculated using the same actuarial method and assumptions as used to calculate the funding target except that the financial assumptions adopted will be as described below. The financial assumptions for assessing the future service contribution rate should take account of the following points:

- Contributions will be invested in market conditions applying at future dates, which are unknown at the effective date of the valuation, and which are not directly linked to market conditions at the valuation date; and
- The future service liabilities for which these contributions will be paid have a longer average duration than the past service liabilities.

The financial assumptions in relation to future service (i.e. the normal cost) are not specifically linked to investment conditions as at the valuation date itself, and are based on an overall assumed real return (i.e. return in excess of price inflation) of [3.75]% per annum, with a long term average assumption for price inflation of [3.0]% per annum. These two assumptions give rise to an overall discount rate of [6.75]% p.a.

Adopting this approach the future service rate is not subject to variation solely due to different market conditions applying at each successive valuation, which reflects the requirement in the Regulations for stability in the “Common Rate” of contributions. In market conditions at the effective date of the 2010 valuation this approach gives rise to a slightly more optimistic stance in relation to the cost of accrual of future benefits compared to the market related basis used for the assessment of the funding target.

At each valuation the cost of the benefits accrued since the previous valuation will become a past service liability. At that time any mismatch against gilt yields and the asset out-performance assumptions used for the funding target is fully taken into account in assessing the funding position.

**Summary of key whole Fund assumptions used for calculating funding target and cost of future accrual (the “normal cost”) for the 2010 actuarial valuation**

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**Long-term gilt yields**

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Fixed Interest	4.5% p.a.
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Index-Linked	0.7% p.a.
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**Past service Funding Target financial assumptions**

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Investment return pre-retirement	[6.50]% p.a.
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Investment return post-retirement	[5.50]% p.a.
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CPI price inflation	[3.00]% p.a.
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Salary increases	[4.50]% p.a.
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Pension increases	[3.00]% p.a.
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**Future service accrual financial assumptions**

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Investment return	[6.75]% p.a.
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CPI price inflation	[3.00]% p.a.
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Salary increases	[4.50]% p.a.
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Pension increases	[3.00]% p.a.
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### Demographic assumptions

The mortality tables adopted for this valuation are as follows:

	Table	Adjustment
Males normal health pensioners	S1PMA CMI_2009_M [1%]	106%
Female normal health pensioners	S1PFA CMI_2009_F [1%]	97%
Males ill health pensioners	As for male normal health pensioners +3 years	
Female ill health pensioners	As for female normal health pensioners +3 years	
Male dependants	S1PMA CMI_2009_M [1%]	127%
Female dependants	S1DFA CMI_2009_F [1%]	109%
Male future dependants	S1PMA CMI_2009_M [1%]	111%
Female future dependants	S1DFA CMI_2009_F [1%]	103%

### Other demographic assumptions are noted below:

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Commutation	One half of members take maximum lump sum, others take 3/80ths
Withdrawal	As for 2007 valuation
Other demographics	Based on LG scheme specific experience.

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(Version updated 25/10/2010 by Mercer)



## WIRRAL COUNCIL

### CABINET

9 DECEMBER 2010

### REPORT OF THE DIRECTOR OF FINANCE

#### PROCUREMENT – REVIEW OF CONTRACT EFFICIENCIES 2010-11

##### 1. EXECUTIVE SUMMARY

- 1.1. Cabinet on 5 November 2009 approved a projected procurement savings target of £682,000 for 2010/11 for those areas of expenditure involving corporate contracts. This report informs Members of progress towards achieving this savings target and other procurement initiatives that have a direct impact on service departments. It also outlines possible procurement efficiencies for 2011-12.

##### 2. BACKGROUND

- 2.1. The procurement culture and practices of the Council are subject to inspection and measured against the National Procurement Strategy Milestones in delivering value and efficiency.
- 2.2. With the establishment of the North West Regional Improvement and Efficiency Partnership, the Government set a regional savings target of £249 million to be delivered through best practice procurement.
- 2.3. The project within the Strategic Change Programme for Procurement is targeted to deliver savings of £2m per year from procurement activity.
- 2.4. The Procurement Strategy, most recently approved by Cabinet on 4 February 2010, states that one of the key objectives of procurement is:
- ‘Contributing to Council savings targets by continually challenging procurement arrangements and seeking opportunities to reduce prices, improve quality, maximize efficiency and achieve greater outcomes for the residents of Wirral.’
- 2.5. The Council spends annually in excess of £170m on goods, works and services. Procurement and commissioning across the Council is required to ensure that this expenditure is subject to rigorous, competitive and compliant processes which will achieve maximum value for money in support of front line services.

### 3. EFFICIENCIES 2010/11

3.1. Appendix 1 details the current estimated savings in 2010/11 with a projected savings figure of £2,288,690. In a number of areas although the contract has been let it has not been possible to make any savings. The schedule is analysed between contracts that are specific to individual departments and those that are of a corporate nature and is summarised below:

Category	Contract Value p.a. £	Contract savings	
		2010/11 £	Additional in 2011/12 £
<b>PROCUREMENT WORK COMPLETED</b>			
Adult Social Services	50,000	-	-
Law/HR/Asset Management	2,158,852	156,448	-
Children and Young People	1,712,000	18,216	2,084
Finance	4,081,173	325,500	2,921
Technical Services	9,985,189	366,416	135,583
Corporate Contracts	10,976,000	590,899	180,000
Corporate Services	5,038,875	170,499	33,850
<b>TOTAL PROCUREMENT COMPLETED</b>	<b>34,002,089</b>	<b>1,627,978</b>	<b>354,438</b>

	Contract Value p.a. £	Contract savings	
		2010/11 £	Additional in 2011/12 £
<b>PROCUREMENT WORK TO BE COMPLETED 2010/11</b>			
Law HR and Asset Management	340,000	15,000	15,000
Children and Young People	50,000	-	-
Adult social services	238,000	2,702	3,783
Finance	641,810	20,720	26,229
Technical Services	20,288,066	466,332	401,966
Corporate Contracts	1,546,624	154,500	170,500
Corporate Services	95,000	1,458	1,042
<b>TOTAL PROCUREMENT to be COMPLETED 2010/11</b>	<b>23,199,500</b>	<b>660,712</b>	<b>618,520</b>

**TOTAL SAVING 2010/11**

**2,288,690**

**TOTAL SAVING 2011/12**

**972,958**

3.2. The efficiencies achieved to date for 2010/11 total £1,627,978 with a projection of an additional £660,712 to be delivered during the remainder of the year.

#### 4. EFFICIENCIES 2011-12

- 4.1. Appendix 2 shows the contracts that will form the work plan for procurement activities in 2011/12, the values of which are summarised below:

<b>WORKPLAN 2011/12</b>	<b>Annual Value £</b>
Children & Young People	15,817,960
Corporate contracts	3,674,166
Corporate Services	120,000
Adult Social Services	13,056,666
Finance	4,139,575
Law, HR and Asset Management	636,666
Technical Services	9,093,000
<b>TOTAL VALUE OF PROCUREMENT WORK</b>	<b>46,418,033</b>

- 4.2. Service departments may bring forward other specific areas of activity that will add to this plan and create additional efficiencies. The role of the Procurement Team will be to assist departments to ensure appropriate processes are followed and that best value is obtained when letting contracts.
- 4.3. To avoid duplication between procurement efficiencies and efficiency proposals submitted by Chief Officers, I am only recommending agreement to proposed efficiencies from Corporate Contracts in this report. It will be for each Chief Officer to propose any savings from their specific contracts.
- 4.4. **Corporate Contracts Projected Efficiencies**

	£000
Projected full year effect of 2010/11 contracts	£350
Projected new contracts in 2011/12	£184 (assumed 5 % saving)
Total	£534

#### 5. STRUCTURAL AND PROCESS EFFICIENCIES

- 5.1. Future contract renewals will need to place emphasis on savings that can be made through smarter and more tightly negotiated contracts. Managing the 'Procure to Pay' (P2P) process in an efficient and effective manner is essential if the Council is going to achieve best value from its non payroll spend.
- 5.2. The Procurement Team has commenced a review of existing major contracts in accordance with Minute No 64 of Cabinet dated 22 July 2010:
- To begin 'a co-ordinated and full review of existing contracts to identify and achieve any opportunities which are in the financial interests of the Council'.*
- 5.3. The P2P Section is building upon these achievements by moving the management and control of the 'Procure to Pay' process forward to achieve further efficiencies.
- 5.4. The Procurement Strategy will be taken forward as part of the Strategic Change Programme. The overall programme plan has been presented to the Strategic Change Programme Board. A number of areas that will be considered in the plan with a view to delivering further efficiency savings include:

- (i) To support and monitor the achievement of the £8m savings target a Procurement Programme Project Board has been formed, which will also review, co-ordinate and oversee all strategic procurement activity.
- (ii) The management of non-catalogue purchasing activity which will reduce the number of purchasing co-ordinators in departments rationalising the function into the P2P Section.
- (iii) The Procurement Team intend, as part of the change programme, to migrate to a full Category Management approach in all Council Procurement.
- (iv) Further adoption of electronic processes for payment of invoices and rationalisation of resources which include procurement cards, electronic file transfers and the OPEN process for schools (see below).
- (v) Council Spend Analysis using an online database in collaboration with the Merseyside Procurement Group.
- (vi) Electronic Contracts Management system adopting the Council 'e portal' in collaboration with the Merseyside Procurement Group and the North West Improvement and Efficiency Partnership.
- (vii) Bench marking to establish value comparisons is an essential element of the procurement process, it helps the Council to measure value in the various markets within which it operates and provides information when establishing the outcomes and processes in procurement projects.
- (viii) Online procurement for educational needs (OPEN) is being used in collaboration with the Procurement Team in 96 schools. The system, which has been implemented by the Educational Procurement Centre, part of the Department for Education, will enable schools to purchase all of their needs electronically.

5.5 As each element develops it will be possible to estimate potential savings. These will be reported to Cabinet as they arise.

## 6. **FINANCIAL IMPLICATIONS**

- 6.1. Procurement efficiencies from corporate contracts totalling approximately £745,399 for 2010/11 should be achieved.
- 6.2. Overall total procurement efficiencies of £2.29m for 2010-11 should be achieved.
- 6.3. Efficiencies totalling £534,000 should be achievable from corporate contracts for 2011/12.

## 7. **STAFFING IMPLICATIONS**

- 7.1. There are none arising directly from this report.

## 8. **EQUAL OPPORTUNITIES IMPLICATIONS**

- 8.1. There are none arising directly from this report.

9. **COMMUNITY SAFETY IMPLICATIONS**

9.1. There are none arising directly from this report.

10. **LOCAL AGENDA 21 IMPLICATIONS**

10.1. There are none arising directly from this report.

11. **PLANNING IMPLICATIONS**

11.1. There are none arising directly from this report.

12. **ANTI-POVERTY IMPLICATIONS**

12.1. There are none arising directly from this report.

13. **HUMAN RIGHTS IMPLICATIONS**

13.1. There are none arising directly from this report.

14. **SOCIAL INCLUSION IMPLICATIONS**

14.1. There are none arising directly from this report.

15. **LOCAL MEMBER SUPPORT IMPLICATIONS**

15.1. There are no particular implications for any Member or Ward.

16. **BACKGROUND PAPERS**

16.1. Procurement Strategy – February 2010.

17. **RECOMMENDATIONS**

17.1. That Cabinet notes the procurement efficiencies delivered in 2010/11.

17.2. That procurement efficiencies from corporate contracts estimated at £534,000 be agreed for 2011/12.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/234/10

## EFFICIENCY SAVINGS FROM CONTRACTS 2010-11

## Contract savings

Category	Contract Value	Term Months	Contract savings	
	p.a.		2010/11	Additional in 2011/12
	£		£	£
<b>PROCUREMENT WORK COMPLETED</b>				
<b>Adult Social Services</b>				
Chair of Safeguarding Adults Partnership Board	50,000	12	0	0
<b>Total Adult Social Services</b>	<b>50,000</b>		<b>0</b>	<b>0</b>
<b>Law/HR/Asset Management</b>				
HR & Payroll System	127,500	60	132,500	0
Initial Implementation of Job Evaluation for Senior Structures & Ongoing Support	2,000,000	60	0	0
Provision of Business Support Consultancy for Community Asset Transfer Programme	20,000	36	0	0
Office Accommodation Consultancy	11,352	24	23,948	0
<b>Total Law/HR/Asset Management</b>	<b>2,158,852</b>		<b>156,448</b>	<b>0</b>
<b>Children and Young People</b>				
Light Catering Equipment	20,000	24	15,300	0
Schools Risk Ranking Inspection & Reporting Programme	40,000	12	0	0
Children's Advocacy Services	62,000	12	2,916	2,084
Neighbourhood Learning in Deprived Communities	1,590,000	12	0	0
<b>Total Children and Young People</b>	<b>1,712,000</b>		<b>18,216</b>	<b>2,084</b>

<b>Finance</b>				
Leasing Consultancy	20,000	12	0	0
Enhancements to Oracle CRM in Relation to Changes to Domestic Bin Provisions	22,475	3	15,500	2,921
Support and Maintenance of McAfee TOPS/TEN Suite 2010 - 2011	42,324	12	0	0
Implementation, Maintenance & Support of an E-Forms Package	120,000	24	4,800	0
Purchase of Servers, Racking, UPS, Installation and 5 years Support and Maintenance.	160,000	60	16,700	0
Mobile Voice and Data	216,374	48	0	0
MPF Far East and Emerging Markets	3,500,000	48	288,500	0
<b>Total Finance</b>	<b>4,081,173</b>		<b>325,500</b>	<b>2,921</b>
<b>Technical Services</b>				
Supply of Tyres	40,000	24	4,000	0
Rock salt	100,000	24	7,000	0
Supply & Maintenance of Fire Fighting Equipment	92,400	36	3,333	1,667
Construction Employment Integrator	111,000	24	21,750	7,250
Automatic Meter Reading	800,000	60	18,333	1,666
Electricity Metering Street Lighting	1,500,000	12	137,000	0
Integrated Transport	2,881,587	36	175,000	125,000
Streetlighting (Electricity) Contract	4,460,202	36	0	0
<b>Total Technical Services</b>	<b>9,985,189</b>		<b>366,416</b>	<b>135,583</b>
<b>Corporate Contracts</b>				
Telecoms - Provision of Network Equipment & Services	4,325,000	24	41,666	8,333
Supply & Installation of Office Desking, Seating & Storage	80,000	24	3,200	0
Reprographics Services	93,000	36	0	0
TUCO/SNUPI Provision of Water Coolers	50,000	24	2,000	0
Supply and Delivery of Cold Food	300,000	36	33,333	16,667
Advertising Services	600,000	36	100,000	0

Agency Staff	2,500,000	48	250,000	155,000
Business Travel	1,400,000	36	45,000	
Postal Services	800,000	36	53,000	
First Aid	15,000	36	700	
Merseyside Information Services	655,000	36	25,000	
Supply of Groceries	158,000	36	37,000	
<b>Total Corporate Contracts</b>	<b>10,976,000</b>		<b>590,899</b>	<b>180,000</b>
<b>Corporate Services</b>				
Target Hardening	100,000	12	0	0
Floating Resettlement Support	725,000	36	101,250	0
Free Loft & cavity Insulation Programme	4,196,000	48	66,666	33,334
Concession for the Provision of Mobile Catering in Wirral for Kites Over the Mersey	0	12	2,583	516
Provision Of Retained Retail And Commercial Leisure Consultancy Advice	17,875	36	0	0
<b>Total Corporate Services</b>	<b>5,038,875</b>		<b>170,499</b>	<b>33,850</b>
<b>TOTAL PROCUREMENT COMPLETED</b>	<b>34,002,089</b>		<b>1,627,978</b>	<b>354,438</b>



**PROCUREMENT WORK TO BE COMPLETED 2010/11**

			<b>Contract savings</b>	
	<b>Contract Value p.a. £</b>	<b>Term Months</b>	<b>2010/11 £</b>	<b>Additional in 2011/12 £</b>
<b>Law HR and Asset Management</b>				
Procurement & Implementation of Integrated Legal Case Management, Time Management & Court Bundling Systems	40,000	60	0	0
<b>Alleygates</b>	300,000	36	15,000	15,000
<b>Total Law HR and Asset Management</b>	<b>340,000</b>		<b>15,000</b>	<b>15,000</b>
<b>Children and Young People</b>				
Post Adoption Support Services	50,000	12	0	0
<b>Total Children and Young People</b>	<b>50,000</b>		<b>0</b>	<b>0</b>
<b>Adult Social Services</b>				
Disposal of Clinical / Medical waste	10,000	36	0	0
Care Services - Mendell Court	200,000	12	0	0
Campervan	28,000	12	2,702	3,783
<b>Total Adult Social Services</b>	<b>238,000</b>		<b>2,702</b>	<b>3,783</b>
<b>Finance</b>				
Provision of Support & Maintenance for Apple Macintosh Computers, Servers, Associated Peripherals and Software	8,410	24	0	0
IT Health Check	15,000	12	5,500	5,500
Voice Recorder	25,000	12	520	729
Procurement & Implementation of Internet & Front of House Card Payment Solutions	100,000	60	0	0

MPF Property Estate Management	265,000	48	0	0
Cash Collection	218,400	36	14,700	20,000
E book	10,000	12	0	0
<b>Total Finance</b>	<b>641,810</b>		<b>20,720</b>	<b>26,229</b>

### Technical Services

Graffiti Removal and Prevention Services	240,000	36	15,000	7,500
Construction consultancy	2,000,000	36	0	0
Lift Maintenance Contract	210,192	48	10,000	10,000
Maintenance of Cenotaphs	27,600	24	0	0
Minibus Transport with Escort to/from Wirral Schools	881,274	36	309,000	220,000
Supply and Fitting of Vertical Blinds (SOR)	21,000	36	0	0
PACSPE Consulting	139,000	24	5,500	5,500
Schedule of rates (inc asbestos removal)	12,000,000	36	41,666	58,333
Maintenance & Breakdown of Intruder Alarm Systems for Schools, Youth Clubs & Children Centres	30,000	36	0	0
Voltage Optimisation	56,000	12	1,166	1,633
Decriminalised Parking Enforcement Services	3,250,000	60	75,000	75,000
Streetscene Services - Arboricultural	450,000	36	5,000	15,000
Supply of Automotive Products, including Batteries, Electrical and Braking products	150,000	60	2,500	7,500
Abandoned Vehicles	30,000	36	0	0
Arboriculture	450,000	36	0	0
Commercial Vehicles - Supply Framework Agreement	333,000	36	0	0
Physical Activity	20,000	12	1,500	1,500
<b>Total Technical Services</b>	<b>20,288,066</b>		<b>466,332</b>	<b>401,966</b>

**Corporate contracts**

Supply & Delivery of Stationery, Information Technology Consumables & Cut & Flat Paper	415,012	24	85,000	85,000
Supply, Installation & Maintenance of Photocopiers & Multi-functional Devices	889,612	24	32,000	48,000
Mobile Phone Tariff	242,000	24	37,500	37,500
<b>Total Corporate Contracts</b>	<b>1,546,624</b>		<b>154,500</b>	<b>170,500</b>

**Corporate services**

Cosy Homes	50,000	12	1,458	1,042
Wirral Visitor Market Research	45,000	12	0	0
<b>Total Corporate services</b>	<b>95,000</b>		<b>1,458</b>	<b>1,042</b>

**TOTAL PROCUREMENT to be  
COMPLETED 2010/11****23,199,500****660,712****618,520****TOTAL SAVING 2010/2011****2,288,690****TOTAL SAVING 2011/2012****972,958**

## APPENDIX 2

### WORKPLAN 2011/12

Area Of Activity	Contract value £ p.a.	Term (months)
<b>Children &amp; Young People</b>		
Residential short breaks	4,000,000	12
0-19 Services	5,250,000	12
Positive Activities for Young People	382,000	12
Services to Children at Risk of Sexual Exploitation	168,000	12
TUCO/SNUPI Supply and Distribution of Fresh Meat and Poultry	120,000	24
Distribution and Supply of Groceries	97,960	36
Activity Fund Plus	300,000	12
Aiming Higher for Disabled Children Services	5,500,000	24
<b>Total Children &amp; Young People</b>	<b>15,817,960</b>	
<b>Corporate Contracts</b>		
Professional / Advisory Services	666,666	36
Provision of Financial Searches	6,000	36
Cleaning Materials	300,000	36
Business Consultancy Services	2,522,000	24
Supply of Confectionery, Sweets and Soft Drinks	34,500	24
Audio Visual Equipment	130,000	36
Secure Disposal of Confidential Waste	15,000	36
<b>Total Corporate Contracts</b>	<b>3,674,166</b>	
<b>Corporate Services</b>		
Childcare Voucher Service	100,000	12
HMRI Cost Consultancy Support	20,000	36
<b>Total Corporate Services</b>	<b>120,000</b>	
<b>Adult Social Services</b>		
Assistive technology / Telecare	2,966,666	36
Supported living / Dom Care	9,000,000	12
Social Care - Supplies	1,000,000	36
Supply of Tyres	20,000	36
Car Hire	70,000	36
<b>Total Adult Social Services</b>	<b>13,056,666</b>	
<b>Finance</b>		
MPF Property Estate Management	265,000	48
Government Gateway	38,000	12

Banking services	37,612	36
PC Hardware, Peripherals & File Server Maintenance	69,963	24
Supply, Implementation & Maintenance of an Invoice Automation System	70,000	60
Preservation Equipment	1,000	24
Preservation Archive Storage Boxes	5,000	24
MPF Actuarial Services	183,000	36
Purchase of Servers, Installation and 1 years Support and Maintenance.	50,000	48
Supply of IT Hardware	1,000,000	12
Provision of Engineering Inspection & Insurance Service	150,000	36
MPF Global Custody Services	670,000	48
MPF UK Equity Unconstrained Portfolios	1,600,000	36
<b>Total Finance</b>	<b>4,139,575</b>	
<b>Law, HR &amp; Asset Management</b>		
Provision of Executive Recruitment Services	60,000	24
Taxi Demand Surveys	10,000	12
Corporate Training	466,666	36
Childcare Voucher Service	100,000	12
<b>Total Law, HR &amp; Asset Management</b>	<b>636,666</b>	
<b>Technical Services</b>		
Abandoned Vehicles	10,000	36
Highways Asset Management Software	333,000	60
Street Scene Services - Grounds Maintenance (PACSPE)	8,750,000	48
<b>Total Technical Services</b>	<b>9,093,000</b>	
<b>TOTAL VALUE OF PROCUREMENT WORK</b>	<b>46,418,033</b>	

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## **WIRRAL COUNCIL**

### **CABINET**

**9 DECEMBER 2010**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **PROVISION FOR INFLATION 2011-12**

##### **1. EXECUTIVE SUMMARY**

- 1.1. A decision is required on the provision for inflation to be included in the budget for 2011-12.

##### **2. PAY INFLATION**

- 2.1. The Government has indicated that the provision being made for public service pay awards for 2011-12 and 2012-13 will be, for each year, £250 per annum for those employees earning less than £21,000 per annum and nothing for those earning above £21,000. The estimated cost of this provision is £1m.

##### **3. PRICE INFLATION**

- 3.1. There are four options which could be considered for price inflation:-
  - a. Zero – Following reductions in Government grants the financial position of the Authority is such that any provision for inflation will only result in additional reductions in service provision and employment. Chief Officers would be required to contain expenditure within the existing budget. For the reasons stated, this is the recommendation for 2011-12.
  - b. Government long term inflation assumption of 2% - This is the assumption used to date in the budget projections and would cost £4.2m.
  - c. Consumer Price Index (CPI) of 3.1% - Each 1% provision for price inflation will cost an additional £2.1m.
  - d. Retail Price Index (RPI) of 4.6%.

##### **4. INCOME INFLATION**

- 4.1. Income from fees and charges has traditionally been increased by 3% per annum, except where the Cabinet has agreed a variation. This increase equates to £1m.

##### **5. FINANCIAL IMPLICATIONS**

- 5.1. The effect of these increases will be included in service budgets for 2011-12.

**6. STAFFING IMPLICATIONS**

6.1. There are none arising from this report.

**7. COMMUNITY SAFETY IMPLICATIONS**

7.1. There are none arising from this report.

**8. HUMAN RIGHTS IMPLICATIONS**

8.1. There are none arising from this report.

**9. EQUAL OPPORTUNITY IMPLICATIONS**

9.1. There are none arising from this report.

**10. LOCAL AGENDA 21 IMPLICATIONS**

10.1. There are none arising from this report.

**11. PLANNING IMPLICATIONS**

11.1. There are none arising from this report.

**12. LOCAL MEMBER SUPPORT IMPLICATIONS**

12. There are none arising from this report.

**13. BACKGROUND PAPERS**

13.1. None were used in the preparation of this report.

**14. RECOMMENDATIONS**

14.1. That provision be made for pay awards in line with the Government recommendation.

14.2. That no provision be made for price inflation.

14.3. That income budgets be increased by 3%.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/233/10



WIRRAL COUNCIL

**CABINET – 9 DECEMBER 2010**

**REPORT OF THE DIRECTOR OF LAW, HR AND ASSET MANAGEMENT**

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## **PETITION SCHEME**

### **1.0 Executive Summary**

1.1 The Council approved its Petition Scheme at its meeting on 19 April 2010 to ensure that its governance arrangements complied with the changing law. A recent review of the Scheme has resulted in proposed amendments to make it more effective; and a number of proposed revisions to the authority's Council Procedure Rules to ensure compatibility with the Petition Scheme.

### **2.0 Epetitions**

2.1 The Local Democracy, Economic Development and Construction Act 2009 requires all local authorities in England to establish a Scheme for handling electronic petitions. The Legislation for "Epetitions" has an implementation date of 15 December 2010 and so this report outlines proposals that will ensure that the Council complies with the implementation deadline.

2.2 The Council will be utilising its existing Committee Management System "Modern.gov" in order to comply with the Act at no additional cost to the Council. The Council will create a webpage ('the Epetitions page') through which the public will be able to access the Epetitions process.

2.3 The Epetitions page will give members of the public the ability to place petitions on the Council's website and for those petitions to be "signed" by other members of the public. These petitions will then be dealt with by the Council in the same way as paper petitions.

2.4 Extensive testing of the new Epetitions system has been carried out by the Democratic Services Manager and her staff. The testing involved creating test petitions and ensuring that the system can address all the vital criteria as outlined in the Local Democracy, Economic Development and Construction Act 2009.

2.5 The design of the Epetitions page is progressing well and a demonstration of how it works will be made to the Cabinet Portfolio Holder for Community and Customer Engagement, Councillor Ian Lewis, very soon.

2.6 It is recommended that the Epetitions system is implemented as soon as the web pages and the testing of them are complete. Implementation will have to take place prior to the statutory implementation deadline of the 15 December 2010 and the Epetitions facility will be implemented before that deadline. Members will be informed when it goes live.

### **3.0 The Petition Scheme**

- 3.1 The Council's Petition Scheme was introduced in July 2010. Working with the Scheme for the past five months it is clear that a number of changes need to be made to the Scheme in order to improve it and make it more effective. The Scheme is appended to the report at Annex A with the proposed changes highlighted.
- 3.2 The purpose of the petition duty (as set out Department of Communities and Local Government guidance Listening to Communities) is to ensure:
- (a) local people know how to express their views
  - (b) local authorities take action to respond to petitions
  - (c) local people know that their views have been listened to
  - (d) local people have the opportunity to hear their local representatives debate their concerns
- 3.3 As was pointed out at a recent Council meeting, the authority's Council Procedure Rules (as set out in the Constitution) relating to petitions need to be revised so that the Standing Orders are consistent with the statutory requirements of the Petition Scheme. The recommended revisions to the Procedure Rules are highlighted in Annex B to this report.

### **4.0 Repeal of Statutory Guidance**

- 4.1 On 24 September 2010 the Department for Communities and Local Government wrote to the Council noting that the Statutory Guidance relating to petitions schemes being enacted under the Local Democracy, Economic Development and Construction Act 2009 had been withdrawn with immediate effect (see Annex C). However, the Act itself remains in force.
- 4.2 At present it is suggested that no alterations are made to the Petitions Scheme adopted by the Council or as amended as a result of this report. The key legislative requirements remain in force, including the need for a new e-petitioning facility.
- 4.3 A report will be presented to a future Cabinet meeting providing an assessment of the operation of the petitions policy, including Epetitions, and further consideration of the removal of Statutory Guidance could be undertaken at that time.

### **5.0 Legal Implications**

- 5.1 The Council is obliged by the Local Democracy, Economic Development and Construction Act 2009 to have an electronic means for the public to submit petitions to the Council by 15 December 2010.

## **6.0 Financial implications**

6.1 As an existing customer of Modern.gov the Council receives the Epetitions module for no additional cost. However there may be financial implications if the introduction of the Petitions Scheme results in a significantly increased number of petitions needing to be processed.

## **7.0 Staffing implications**

8.1 It is difficult to assess how much additional work will be generated through Epetitions so this will be kept under review.

## **8.0 Equal Opportunities implications**

8.1 The Petition Scheme is accessible to all users and provides access to local government to the broadest possible range of groups. The Epetitions web pages are being built in order to comply with Web Analytics Association (WAA) Standards.

## **9.0 Community Safety implications**

9.1 None

## **10.0 Local Agenda 21 implications**

10.1 None

## **11.0 Planning implications**

11.1 None

## **12.0 Anti-poverty implications**

12.1 None

## **13.0 Human Rights implications**

13.1 None

## **14.0 Social Inclusion implications**

14.1 None

## **15.0 Local Member Support implications**

15.1 Ward Members can be asked to present petitions at Council meetings.

## **16.0 Background Papers**

16.1 The Local Democracy Economic Development and Construction Act 2009; Communities and Local Government – Listening to Communities: Consultation on Draft Statutory Guidance on the Duty to Respond to Petitions December 2009.

## 17.0 Recommendations

That:

- (1) Cabinet notes the implementation of the Epetitions Scheme through modern.gov; and that the launch will be prior to the 15 December 2010 statutory deadline;
- (2) Council be recommended to revise the authority's Petition Scheme by approving the proposed amendments set out in Annex A to this report; and
- (3) Council be recommended to revise the Constitution by amending the Council Procedure Rules relating to petitions, as set out in Annex B to this report.

**Bill Norman**

Director of Law, HR and Asset Management

# **ANNEX A – Report of the Director of Law, HR and Asset Management**

## **WIRRAL BOROUGH COUNCIL - PETITION SCHEME**

### **INTRODUCTION**

The Council welcomes petitions and recognises that petitions are one way in which people can let us know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within **14 10 working** days of receipt. This acknowledgement will set out what we plan to do with the petition.

Paper petitions can be sent to:

The Director of Law, HR and Asset Management, Town Hall, Brighton Street, Wallasey, Wirral CH44 8ED

Or be created, signed and submitted on line – **ePetitions (see below)**. ~~(when this facility is available)~~

Petitions can also be presented to a meeting of the Council. These meetings are all scheduled at the beginning of the Municipal Year in May. Dates and times can be found at <http://www.wirral.gov.uk/my-services/council-and-democracy>.

If you would like to present your petition to the Council, or would like your Councillor to present it on your behalf, please contact the Council's Democratic Services Manager, Shirley Hudspeth (by email: [shirleyhudspeth@wirral.gov.uk](mailto:shirleyhudspeth@wirral.gov.uk) Tel: 0151 691 8559) at least five clear working days before the meeting and she will talk you through the process.

### **WHAT ARE THE GUIDELINES FOR SUBMITTING A PETITION?**

***Petitions submitted to the Council must relate to the functions of Wirral Council; or to the improvement in the economic, social or environmental wellbeing of the Borough to which any of the Council's partner authorities (e.g. a local hospital trust) could contribute***

***Petitions submitted to the Council must not be vexatious, abusive or otherwise inappropriate.***

Petitions submitted to the Council must include:

- A clear and concise statement covering the subject of the petition. It should state what action the petitioners would like the Council to take.
- The name, address and signature of any person supporting the petition. Petitions should be accompanied by contact details, including an address for the petition organiser. This is the person we will contact to explain how we will respond to the petition. The contact details of the petition organiser will not be placed on the Council's website. If the petition does not identify a petition organiser, we will

contact signatories to the petition to agree who should act as the petition organiser.

Petitions which are considered **by the Council** to be vexatious, abusive or otherwise inappropriate will not be accepted. ***The test that will apply in such circumstances would be the same as for Freedom of Information requests, i.e. "is the request likely to cause distress, disruption or irritation without any proper or justified cause."***

***Your petition may also be rejected:***

- ***If it is identical or too similar to a petition submitted within the last six months;***
- ***If it discloses confidential or exempt information, including information protected by a Court Order or Government Department;***
- ***If it discloses commercially sensitive material;***
- ***If it provides information relating to the personal and private lives of Council Officers, or makes criminal accusations;***
- ***If it contains advertising statements;***
- ***If it refers to an issue currently subject to a formal Council complaint, Local Ombudsmen complaint or any legal proceedings;***
- ***If it relates to a specific issue where there is already a right of appeal;***
- ***If it relates to a matter over which the Council or its partners has no control; or***
- ***If compliance with it would result in an unlawful action being taken.***

***In the period immediately before an election or referendum we may need to deal with your petition differently. If this is the case we will explain the reasons and discuss the revised timescale which will apply.***

If a petition does not follow the guidelines set out above, the Council may decide not to do anything further with it. In that case we will write to you to explain the reasons.

## **WHAT WILL THE COUNCIL DO WHEN IT RECEIVES MY PETITION?**

We will send an acknowledgement to the petition organiser within ~~14~~ **10** working days of receiving the petition. It will let him/her know what we plan to do with the petition and when he/she can expect to hear from us again. It will also be published on our website.

If the Council can do what your petition asks for, the acknowledgement may confirm that we have taken the action requested and the petition will be closed. If the petition has enough signatures to trigger a Council debate, or a senior officer giving evidence, then the acknowledgement will confirm this and tell you when and where the meeting will take place. If the petition needs more investigation, we will tell you the steps we plan to take.

***In order not to duplicate procedures where established processes already exist for people to voice their opinions, the following matters are excluded from this Scheme:***

If the petition applies to a planning or licensing application, is a statutory petition (for example requesting a referendum on having an elected mayor), or on a matter where there is already an existing right of appeal such as Council Tax banding and non domestic rates, other procedures apply. If you require information on any of these matters you should in the first instance contact Shirley Hudspeth (Tel no 0151 691 8559 email: [shirleyhudspeth@wirral.gov.uk](mailto:shirleyhudspeth@wirral.gov.uk)).

We will not take any action on any petition which we consider to be vexatious, abusive or otherwise inappropriate. ~~and will explain the reasons for this in our acknowledgement of the petition.~~

To ensure that people know what we are doing in response to the petitions we receive, the details of all the petitions submitted to us will be published on our website except in cases where this would be inappropriate. Whenever possible we will also publish all correspondence relating to the petition (with personal details removed). When you sign an e-petition you can elect to receive this information by email. We will not send you anything which is not relevant to the e-petition you have signed unless you request it.

## HOW WILL THE COUNCIL RESPOND TO PETITIONS?

Our response to a petition will depend on what a petition asks for and how many people have signed it but may include one or more of the following:-

- Taking the action requested in the petition
- Considering the petition at a Council meeting
- Holding an inquiry into the matter
- Undertaking research into the matter
- Holding a public meeting
- Holding a consultation
- Holding a meeting with petitioners
- Referring the petition for consideration by the relevant Council \*Overview and Scrutiny Committee ~~or the \*\*Scrutiny Programme Board~~
- Writing to the petition organiser setting out our views about the request in question
- **Requiring a senior Council officer to answer questions at a meeting of the appropriate overview and scrutiny Committee.**

\* Overview and Scrutiny Committees are Committees of Councillors who are responsible for scrutinising the work of the Council – in other words they have the power to hold the Council's decision makers to account.

~~\*\* The Scrutiny Programme Board is made up of Councillors including the Chairs of all the Overview and Scrutiny Committees. They have the power to hold Council decision makers to account where the issue is within the remit of more than one Overview and Scrutiny Committee.~~

In addition to these steps the Council will consider other specific actions it may be able to take on the issues highlighted in a petition.

If your petition is about something over which the Council has no direct control (for example the local railway or hospital) we ~~may will aim to~~ make representations on behalf of the community to the relevant body. The Council works with a large number of local partners (<http://www.wirral-lsp.org/>) and where possible will work with these partners to respond to your petition. If we are not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then we will set out the reasons for this for you. You can find more information on the services for which the Council is responsible here <http://www.wirral.gov.uk/my-services/council-and-democracy>.

If your petition is about something that *another a different* Council is responsible for, we will give consideration to what the best method is for responding to it. It might consist of simply forwarding the petition to the other Council, but could involve other steps. In any event we will always notify you of the action we have taken.

## FULL COUNCIL DEBATES

If a petition contains more than 1500 signatures it will be debated by the full Council unless it is a petition asking for a senior council officer to give evidence at a public meeting. This means that the issue raised in the petition will be discussed at a meeting which all Councillors can attend. The petition organiser will be given five minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of 15 minutes. The Council will decide how to respond to the petition at this meeting. The Council may decide to take the action the petition requests, or not to take the action requested for reasons put forward in the debate, or to commission further investigation into the matter, for example by a relevant Committee. *Where the issue is one on which the Council's Cabinet is required to make the final decision, the Council may decide to make recommendations to inform that decision.* The petition organiser will receive written confirmation of this decision. This confirmation will also be published on the Council's website.

## CALLING OFFICERS TO ACCOUNT EVIDENCE

Your petition may ask for a senior Council officer to *be called to account by the authority. This may mean that the senior officer will be required to* give evidence at a public meeting about something for which the officer is responsible as part of their job. For example your petition may ask a senior Council officer to explain progress on an issue or to explain the advice given to elected Members to enable them to make a particular decision.

If your petition contains at least 750 signatures the relevant senior officer will give evidence at a public meeting of the relevant Overview and Scrutiny Committee. ~~If the subject matter of the petition falls within the remit of more than one Overview and Scrutiny Committee, the senior officer will give evidence at a~~



~~public meeting of the Council's Scrutiny Programme Board.~~ A list of the senior staff that can be called to give evidence can be found at <http://www.wirral.gov.uk/my-services/council-and-democracy/how-council-governed/departments>.

You should be aware that the Overview and Scrutiny Committee ~~or the Scrutiny Programme Board~~ may decide that it would be more appropriate for another officer on that list to give evidence instead of any officer named in the petition – for instance if the named officer has changed jobs. Committee Members will ask the questions at this meeting but you will be able to suggest questions to the Chair of the Overview and Scrutiny Committee/Scrutiny Programme Board by contacting Committee Services [committeeservices@wirral.gov.uk](mailto:committeeservices@wirral.gov.uk) up to five clear working days before the meeting.

***Please note that a petition requesting that an officer be called to account by the authority will not be debated by the full Council even if it exceeds 1500 signatures.***

## **ePETITIONS**

The Council welcomes ePetitions which are created and submitted through our website. ~~(when the on-line facility is implemented) and All~~ ePetitions must follow the same guidelines as paper petitions. ***To submit an ePetition you will need to be a registered user. Registration is a simple process that requires you to provide us with a number of details, including your name, address, post code and email address, in case we need to contact you about the ePetition. On the ePetitions homepage, select the 'Submit a new ePetition' option and follow the prompted steps from there. Your online form will be submitted to the Council's Committee Services section, who may contact you to discuss your petition before it goes live.***

***What information should my ePetition contain?***

***Your ePetition will need to include –***

- ***A title***
- ***A statement explicitly setting out what action you would like the Council to take***
- ***Any information which you feel is relevant to the ePetition and reasons why you consider the action requested to be necessary***
- ***A date for when your ePetition will stop collecting signatures. Most petitions will run for six months but you can choose a shorter or longer timeframe, up to a maximum of 12 months***

~~***The petition organiser will need to provide us with their name, postal address, post code and email address. You will also need to decide how long you would like your petition to be open for signatures. Most petitions run for six months***~~

~~but you can choose a shorter or longer timeframe, up to a maximum of 12 months.~~

When you create an e-petition, it may take **14 10** working days before it is published online. This is because we have to check that the content of your petition is suitable before it is made available for signature. However, we will make every effort to ensure that your petition is published as soon as possible. If we feel we cannot publish your petition for some reason, we will contact you within this time to explain why. You will be able to change and re-submit your petition if you wish. If you do not do this within **14 10 working** days, a summary of the petition and the reason why it has not been accepted will be published under the "Rejected Petitions" section of the website.

When an ePetition has closed for signature, it will automatically be submitted to the Democratic Services Manager. In the same way as a paper petition you will receive an acknowledgement within **14 10** working days. **It will let you know what we plan to do with the petition and when you can expect to hear from us again.** If you would like to present your ePetition to a meeting of the Council please contact the Democratic Services Manager (details above) within five days of the petition closing. A petition acknowledgement and response will be emailed to everyone who has signed the ePetition and elected to receive this information. The acknowledgement and response will also be published on this website.

## HOW DO I SIGN AN ePETITION?

You can see all the ePetitions currently available for signature here (when implemented). When you sign an ePetition you will be asked to provide your name, address, post code and a valid email address. When you have submitted this information you will be sent an email to the email address you have provided. This email will include a link which you must click on in order to confirm the email address is valid. Once this step is complete your "signature" will be added to the petition. People visiting the e-petition will be able to see your name in the list of those who have signed it but your contact details will not be visible.

## WHAT CAN I DO IF I FEEL MY PETITION HAS NOT BEEN DEALT WITH PROPERLY?

If you feel that we have not dealt with your petition properly, the petition organiser has the right to request that the Council's relevant Overview and Scrutiny Committee/~~Scrutiny Programme Board~~ review the steps that the Council has taken in response to your petition. **It is helpful to everyone, and can improve the prospects for a review if the petition organiser gives a short explanation of the reasons why the Council's response is not considered to be adequate.** The Overview and Scrutiny Committee/~~Scrutiny Programme Board~~ will consider your request within 30 days of receiving it. **Should** the Overview and Scrutiny Committee/~~Scrutiny Programme Board~~ determine we have not dealt with your petition adequately it may use any of its powers to ~~deal with~~ **resolve** the matter. These powers include instigating an investigation, making recommendation to the ~~Council and~~ Cabinet and/or arranging for the matter to be considered at a meeting of the full Council.

Once the appeal has been considered, the petition organiser will be informed of the results within five working days. The results of the review will also be published on our website.

*Wirral Council Petition Scheme – Revised December 2010*

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# **ANNEX B – Report of the Director of Law, HR and Asset Management – Petition Scheme**

## **Rules of Procedure**

### **Council Procedure Rules – Standing Orders**

#### **9. Motions which may be moved without notice having been given under Standing Order 8 or objection having been notified under Standing Order (5)(1)(h)**

The following motions may be moved without notice, but must be seconded. The mover must confine any remarks to the form of the motion:

(a) to (r) (inclusive) **NO CHANGE**

(s) Any motion or amendment relating to the referring of petitions or their debate at Council pursuant to Standing Order 34.

#### **21. Petitions**

Any member of the Council may following the Mayor's Announcements present a petition to Council. Any such petition shall be dealt with in accordance with Standing Order 34. Save as permitted by Standing Order 34 no person shall be entitled to speak to a petition at Council

#### **34. Petitions**

(1) If an active petition\* contains more than 1500 qualifying signatures under the Council's Petition Scheme and does not require a senior Council Officer (as defined in the Petition Scheme) to be called to account by the authority, the petition shall normally be debated by the full Council at the next ordinary meeting of the Council (normally excluding Budget Council); and, following that debate, the Council may take such action as it considers appropriate. The referral of the petition to a future Council meeting shall be without debate, save as to the question/s of: (a) whether the petition is an active petition\*; and/or (b) the most appropriate meeting at which the petition should be debated by the Council.

(2) If an active petition\* contains at least 750 qualifying signatures under the Council's Petition Scheme and requires a senior Council Officer (as defined in the Petition Scheme) to be called to account by the authority, the Council shall refer the petition to the Overview and Scrutiny Committee it considers most appropriate; and instruct that Committee to:

- (a) Use its power under section 21(13)(a) of the Local Government Act 2000 to require the relevant person\*\* to attend before it to answer questions; and
- (c) Submit a report (or recommendations) to a future ordinary meeting of the Council (normally excluding Budget Council); and
- (d) Send a copy of that report (or those recommendations) to the Petition Organiser.

And following consideration of the Committee's report (or recommendations) the Council may take such action as it considers appropriate. The referral of the petition to the Committee shall be without debate, save as to the question/s of: (a) whether the petition is an active petition\*; and/or (b) the most appropriate Overview and Scrutiny Committee to which the petition should be referred.

(3) Any other active petition\* addressed to the Mayor, to the Council or to a committee shall, immediately it is received, be referred to the appropriate chief officer(s) for investigation. The referral of the petition shall be without debate, save as to the question/s of: (a) whether the petition is an active petition\*; and/or (b) the question of the most appropriate chief officer to whom the petition should be referred.

(4) Unless it relates to a planning application (in which case it shall be dealt with as if it were an objection to the granting of planning permission) or the matter has already been disposed of by the Council, the petition shall be dealt with as follows:

- (a) if the chief officer(s) concerned is able to effect a remedy to the complaint, the petitioners shall be advised accordingly;
- (b) if the chief officer(s) cannot effect a remedy to the complaint within a reasonable time, the chief officer(s) shall submit, and report on, the petition to the next convenient meeting of the appropriate Overview and Scrutiny Committee or ordinary committee and shall advise the petitioners accordingly.
- (c) if a petition is referred to committee in accordance with paragraph (b) above a representative of the petitioners shall be entitled to address the committee on the subject of the petition for a period of up to five minutes (or, exceptionally, for such longer period as the committee may allow).

(5) The question whether any petition constitutes an active petition\* shall normally be determined by the Director of Law, HR and Asset Management following consultation with the Mayor and Group Leaders. In the event that the Director is unavailable (or conflicted) the question shall normally be determined by another officer (nominated by the Mayor) following consultation with the Mayor and Group Leaders. In cases where determination of the question is itself likely to be contentious, the applicable officer may refer determination of the issue to the full Council.

*\* 'an active petition' is defined in the Local Democracy and Economic Development Act 2009 as a petition that relates to the functions of Wirral Council; or to the improvement in the economic, social or environmental wellbeing of the Borough to which any partner authority could contribute; and which is (in either case), in the Council's opinion, not vexatious, abusive or otherwise inappropriate.*

*\*\* 'the relevant person' is defined in the Local Democracy and Economic Development Act 2009 as the officer identified in the petition or, if the Committee considers that it would be more appropriate, another officer.*

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**Claire Cooper**  
*Deputy Director, Community Action Division*

**Department for Communities and Local  
Government**  
5/B4  
Eland House  
Bressenden Place  
London SW1E 5DU

[www.communities.gov.uk](http://www.communities.gov.uk)

24 September 2010

Dear Chief Executive

### **Withdrawal of statutory guidance on petitions**

I am writing to you about the statutory guidance on the duty to respond to petitions. This guidance was issued by the previous administration under Section 19 of the Local Democracy, Economic Development and Construction Act 2009, to principal local authorities in England on 30<sup>th</sup> March 2010.

The Department for Communities and Local Government is withdrawing '*Listening to communities: Statutory guidance on the duty to respond to petitions*' with effect from 24 September (although the document will continue to be available for reference on the department's website). This means you will now have more discretion to decide how you approach petitions locally.

The petitions requirements in Chapter 2, Part 1 of the Local Democracy, Economic Development and Construction Act 2009 necessarily remain in force unless or until they are repealed by fresh primary legislation. This includes the requirement to provide a facility for people to make e-petitions which will come into effect on 15<sup>th</sup> December this year. Local authorities will be paid for the new burden through the area based grants process this financial year, with the first payment on 15<sup>th</sup> October.

Local authorities are legally bound to comply with the minimum requirements of all statutory duties. However in considering how you approach the petitions requirements, including in making arrangements to set up an e-petition facility, you will wish to consider current circumstances, and having regard to both the Government's commitment to remove unnecessary prescription for local authorities and the priority of cutting out all wasteful spending.

If you have any queries concerning this letter, please contact Carl Laughna on 0303 4442044, or e-mail on [carl.laughna@communities.gsi.gov.uk](mailto:carl.laughna@communities.gsi.gov.uk)

A handwritten signature in cursive script that reads "Claire Cooper".

**CLAIRE COOPER**

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## WIRRAL COUNCIL

CABINET - 9<sup>th</sup> DECEMBER 2010

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### **ADMISSION ARRANGEMENTS FOR COMMUNITY SECONDARY SCHOOLS AND THE COORDINATED ADMISSIONS SCHEME FOR 2012-13**

---

#### **EXECUTIVE SUMMARY**

This report invites the Cabinet to consult on the Authority's admission arrangements for community secondary schools and the coordinated admissions scheme for 2012-2013.

#### **Background**

1.0 The Authority is required to determine admission arrangements for community secondary schools, following consultation regulations made in 2003 also require the Authority to have in place a coordinated scheme for admissions to all secondary schools in 2012-13. A copy of the proposed scheme is attached (Appendix 1). A copy of the proposed admission numbers for community schools are also attached (Appendix 2). The Wirral Admissions Forum has considered the scheme and no significant changes have been proposed, however the scheme has been updated to reflect the change in status of some schools. There are also no changes with respect to the proposed admission numbers for the community secondary schools. This report recommends that consultation is initiated.

#### **Risk Assessment**

2.0 There are no significant risks as the scheme is generally successful in meeting parental preference and no significant changes are planned.

#### **Financial Implications**

3.0 There are none.

#### **Staffing Implications**

4.0 There are none.

#### **Equal Opportunities Implications/Health Impact Assessment**

5.0 There are none.

#### **Community Safety Implications**

6.0 There are none.

#### **Local Agenda 21 Statement**

7.0 There are none.

#### **Planning Implications**

8.0 There are none.

### **Anti-Poverty Implications**

9.0 There are none.

### **Social Inclusion Implications**

10.0 There are none.

### **Local Member Support Implications**

11.0 All wards are affected by this report.

### **Background Papers**

12.0 The School Admissions Code of Practice 2010.

### **RECOMMENDATIONS**

That

- (1) Consultation takes place on the admission arrangements for community secondary schools, and the coordinated scheme for 2012-13.

**David Armstrong**  
**Interim Director of Children's Services**

JB4843/RD/AMP/22.11.10

**SCHEME FOR THE CO-ORDINATION OF ADMISSION  
ARRANGEMENTS FOR MAINTAINED SECONDARY SCHOOLS  
FOR THE ACADEMIC YEAR 2012-2013**

This scheme fulfils the requirements of a qualifying scheme under the Education (Coordination of Admission Arrangements) (Secondary Schools)(England) Regulations 2002 for the area of Wirral Borough Council. It builds on the well-established coordination of secondary school admissions that have been a longstanding feature of local practice.

The scheme applied for admissions to secondary schools for the academic year 2005/2006, which was the initial year, and for subsequent years subject to any review. The following admissions authorities are covered by the scheme:

<b>ADMISSIONS AUTHORITY</b>	<b>NUMBER &amp; TYPE OF SCHOOLS</b>
Wirral Authority	5 Community Secondary Schools
<i>The governing bodies of the following schools:</i>	
Bebington High Sports College	Trust School
Birkenhead High School Academy	Academy
Calday Grange Grammar School	Trust School
Hilbre High School	Trust School
*Prenton High School for Girls	Academy
Ridgeway High School	Foundation School
St Anselm's College	Voluntary Aided School
St John Plessington Catholic College	Voluntary Aided School
St Mary's Catholic College	Voluntary Aided School
*University Academy of Birkenhead	Academy
South Wirral High School	Foundation School
Upton Hall School FCJ	Voluntary Aided School
Weatherhead School	Foundation School
West Kirby Grammar School	Foundation School
Wirral Grammar School for Girls	Foundation School
Wirral Grammar School for Boy	Foundation School
Woodchurch High School	Trust School

\* Subject to confirmation.

The scheme will be amended if there are further changes to the status of schools.

## **Applications for school places in the normal admission round (that is for admission to Year 7)**

- 1.1 Wirral Authority will act as the co-ordinating authority for all applications.
- 1.2 All parents who live in the area administered by Wirral Borough Council must apply for places in maintained secondary schools either in Wirral or in the area of another local education authority by completing the Wirral Parental Preference Form.
- 1.3 Parental Preference Forms will be distributed to the parents of Year 6 pupils in September 2011. We will accept only one application form per child. If parents are separated, they must reach agreement as to the preferences for school places. If agreement cannot be reached, or if neither parent has been granted a Specific Issues Order in this respect, then we will accept the application from the parent with whom the child is "ordinarily resident". Parents who wish a different address to be used because they are moving house must provide verification of the move, e.g. independent evidence such as tenancy agreement or an exchange of contracts in a house purchase (and evidence that their home has been sold).
- 1.4 Parents will be invited to express preferences for up to five schools and to outline reasons in support of their preferences. Parents should rank schools in the order of their preference. Preference forms should be returned to the Children and Young People's Department by 31st October 2011. Schools which receive preference forms directly should forward them to the Children and Young People's Department.
- 1.5 If a child is eligible for a place in more than one school, they will be offered the school which their parent has ranked as the highest preference.
- 1.6 Details of preferences for the academy, foundation schools, trust schools and voluntary aided schools will be sent to the relevant admissions authorities by the Children and Young People's Department by the 22 November 2011.
- 1.7 Details of preferences for a school place in the area of another Local Authority will be sent to that Authority along with any details and supporting evidence provided by the parent by the 22 November 2011.

- 1.8 The Academy, foundation schools, trust schools and voluntary aided schools in Wirral are required to send to the Children and Young People's Department by the 16 December 2011 lists of pupils to whom they can offer places and lists of pupils in rank order who cannot be offered places.
- 1.9 On the 1 February 2012 the Authority will notify other Authorities of provisional allocations of places in Wirral secondary schools.
- 1.10 When the Authority receives from other Authorities details of their provisional allocation for Wirral children seeking places in schools maintained by them, the Authority will then offer the highest preference if they are eligible for more than one school.
- 1.11 On 23 February Wirral Authority will inform schools and neighbouring Authorities of the final allocations. Letters will be posted to parents on 1 March.
- 1.12 If a parent is unsuccessful with all of their applications their child will be offered a place at the nearest appropriate school where there are places available after all preferences have been considered.

### **How decisions on applications for places in Year 7 will be made**

- 2.1 Each secondary school has a published admission number. Places will be allocated up to but not beyond this number.

- 2.2 Community Schools

Places at community schools will be decided by the Director of Children's Services in accordance with the following arrangements:

Applications for community schools will be ranked in order according to the following criteria:

- (a) Children who are in care.

- (b) Pupils who have a medical reason for attending a particular school. (A letter in support from a health care professional will be required as evidence).
- (c) Pupils who have a brother or sister (including half or step-brothers and sisters living in the same household) at the school when the pupil starts school (and of statutory school age).
- (d) The Authority will then take account of where the child lives. We will give priority to those pupils who live nearest to the school. We use a computer mapping system, based on Ordnance Survey maps, to measure distances from your home to the school gate nearest to your child's home using the shortest road route unless it is possible to use a footpath which we consider a safe walking route.
- (e) Where the final place in a year group is offered to one of twins (or triplets etc) it will be our policy to admit the other twin (or triplets, etc) too even if that means going above the admission number.

### **Admissions to Grammar Schools**

3.1 Admissions authorities for the grammar schools in Wirral will allocate places only to children who have achieved the required standard. If they are over subscribed with children who have achieved the standard, they will not be able to offer places to all; they will use other non-academic criteria to decide which children should be offered places. Parents who wish their child to be assessed for grammar school education should inform the Children and Young People's Department by 28 September, 2011. The Authority will inform the governors of Upton Hall School and St. Anselm's College of the details of the children whose parents wish them to be assessed for a place at those schools; those children will be assessed by the schools themselves. The Authority will make the arrangements to assess all other children.

The Authority conducts the assessment arrangements for Calday Grange Grammar School, West Kirby Grammar School, Wirral Grammar School for Boys and Wirral



Grammar School for Girls. All the grammar schools are either foundation or trust schools, they have criteria to determine which children will be given places if more children achieve the standard than there are places available.

The assessment is based on the results of two verbal reasoning tests that pupils take in the autumn term of the final year of primary education. The test does not take into account what pupils have learnt at primary school. They have been designed to predict a pupil's potential performance at secondary school and so preparation for the verbal reasoning tests, apart from the practice tests, is not necessary. However, we will provide a familiarisation pack to help children prepare for the tests.

So that children are not disadvantaged because of their date of birth, in each case the score is changed by using conversion tables to take account of each child's exact age in years and months. The two test scores are then added together. Children who reach the required score will be deemed to have reached the grammar school standard unless their primary school head teacher refers them to the Independent Assessment Board.

#### Independent Assessment Board

As soon as the test results are known, the Authority will tell primary school head teachers the scores of their pupils and the required score for the grammar school standard. The Authority will invite head teachers to make representations on behalf of any children whose test results do not, in their view, reflect the children's potential. Since there is a strong relationship between verbal reasoning scores and potential, these cases will be quite rare.

The Authority will also refer to the Board the cases of any pupils who have been given extra time in the tests because of a disability.

The Authority will then arrange a meeting of an Independent Assessment Board. The Board is made up of four headteachers (two from primary schools, two from grammar schools) and is chaired by an officer from the Children and Young

People's Department. None of the Board will have any personal interest in any of the pupils they are asked to assess.

In some cases parents may feel that certain factors may have affected the child's academic performance (for example, if his or her education has been severely disrupted because of ill health, change of schools, or any other reason). If this does apply, it is important that parents should inform their child's headteacher, in writing, no later than 13 December 2011. The information will be considered by the Independent Assessment Board if the child's case is referred to the Board.

For each child whose case is referred, the Board will see:

- the child's verbal reasoning test scores and papers
- the representations made by the primary school head teacher with supporting evidence if necessary, and
- confidential information from parents and reports from other professional agencies such as educational psychologists, social workers, doctors and so on.

The Board then uses its professional judgement to decide whether the evidence clearly shows that the results of the verbal reasoning tests did not truly reflect the child's ability. The Board will decide in each case whether or not the child has reached the grammar school standard.

- 3.3 At the end of the process, the Authority will have a list of the children who have reached the grammar school standard. This does not necessarily mean that they will go to a grammar school; that will depend on the number of preferences that we have for the grammar schools. If a grammar school is oversubscribed, the governors use other criteria to decide who should be given places.

### **Admissions to Foundation, Trust Schools and the Academy**

4. The governing bodies of Bebington High Sports College, Birkenhead High School Academy, Calday Grange Grammar School, Hilbre High School, Prenton High School for Girls, Ridgeway High School, South Wirral High School, University Academy of Birkenhead, Weatherhead School, West Kirby Grammar School, Wirral

Grammar School for Boys, Wirral Grammar School for Girls and Woodchurch High School publish their own admission arrangements which include the criteria which the governing bodies will use if their school is oversubscribed.

### **Admission to Voluntary Aided Schools**

5. The governing bodies of St Anselm's College, St John Plessington Catholic College, St Mary's Catholic College and Upton Hall School FCJ publish their own admission arrangements which include the criteria which they will use to determine priorities if their school is oversubscribed.

### **Children with Statements**

6. All schools will be required to admit a pupil if he or she has a Statement of special educational needs naming the school.

### **Allocation of Places**

7. Parents resident in Wirral will be informed in writing by the Director of Children's Services on the 1 March 2012 of the school allocated to their child. This will include the allocation of a place in a school of another Authority if the parent's application for a place there has been successful. The letter will also inform parents of their right to appeal to an independent panel and who to contact to make an appeal.

### **Late Applications**

8. Preferences which are received by 31 October 2011 will be dealt with according to the arrangements described in paragraphs 1 to 3. Preferences which are received on or after 1 November 2011 will be dealt with after places have been allocated on the 1 March 2012. At that point some schools may be full and no more places will be allocated at those schools. In the case of schools which have places available, places will be allocated in accordance with the arrangements described in paragraphs 2 and 3. Late applications for grammar schools will require separate arrangements for testing.

## **Places which become available after 1 March**

- 9.1 Places which become available after 1 March, for instance because parents turn down a place that has been allocated, will be re-allocated up to the school's admission number. If there are more requests for to a particular school than there are places available, the Authority (for community schools) will use the same criteria as for the initial allocation. In most cases the re-allocation will be made depending on where the children live. If this is the case, the Authority will keep a list in order of those who will have priority because they live nearer the school in question.
- 9.2 In the autumn term the Authority will hold a waiting list for children whose parents would still like them to be considered for a place at a school which is full at the beginning of the term. If places become available after the start of the autumn term, they will be offered to children on the waiting list, following the same criteria as when places were first offered. The waiting list will be kept open until the last day of the autumn term.

## **Admissions to schools other than at the normal time of admission**

- 10.1 Admissions to schools other than at the normal admission age are managed in accordance with the arrangements set out for the admission at the normal time of admission. Parents will be invited to complete an application form and express a preference for one or more schools. Preferences for the academies, foundation, trust or voluntary aided schools will be forwarded to the relevant governing bodies for consideration.
- 10.2 If a parent expresses a preference for one or more schools the Authority will request from the Headteacher of the child's current or previous school, information relating to the child's curriculum record, attendance and behaviour. This information will have no bearing on whether a place is offered. This information together with a copy of the parent's preference form and any relevant documentation from other agencies such as the Education Social Welfare Service will then be forwarded to the Headteacher of the school(s) requested for comments. The Director of Children's Services will then decide whether or not to offer a place at the school in the case of community schools.

- 10.3 In the case of non-community schools they will inform the Authority within 10 school days of receipt of the preference form whether they will offer a place.
- 10.4 If a parent expresses a preference for one or more of the foundation, trust or voluntary aided grammar schools then their child will be assessed by the school or schools concerned and a decision made by the governing body as to whether to offer a place. The governing body will inform the Authority of the outcome of the application.
- 10.5 If there are places available in more than one of the preferred schools the Authority will offer the child the school of their parent's highest preference. Parents will be informed by the Director of Children's Services of the school allocated in writing. The letter will also inform the parent of their right to appeal to an independent panel and who to contact to make an appeal.
- 10.6 In accordance with the School Admissions Code 2010 admission authorities must not refuse to admit a child solely because:
- (a) they have applied later than other applicants;
  - (b) they are not of the faith of the school in the case of a faith school;
  - (c) they have followed a different curriculum at their previous school;
  - (d) information has not been received from their previous school;
  - (e) they have missed entrance tests for selective places.

### **IN YEAR ADMISSIONS PROTOCOL**

1. All requests for places in year will be considered with reference to the Authority's current admission arrangements and procedures for in year placements. The majority of requests will be agreed or refused with reference to two important factors: parental preference, and the availability of places within the relevant year group.
2. Where places are available in the relevant year group it is unlawful to refuse a parent's preference on the grounds of a pupil's previously poor attendance or

behaviour. The Admissions Code of Practice 2010 restricts refusal of parental preference to those situations where schools are either in special measures or have recently come out of special measures.

3. In view of the “Guidance on Hard to Place Children” (DfES 2004 and the subsequent Guidance on Fair Access Protocols 2007), there are a small group of pupils for whom the normal arrangements will be varied, admissions authorities will be expected to admit the following categories of pupils above the admission number. These are as follows:

- Children in care, they will be placed in the school of their carers preference irrespective of the availability of places in the year group. However, the Authority will give careful consideration to the reasons given in support of a preference and monitor the flow of such requests.
- Children who have recently experienced a traumatic family or domestic event or for whom there are clear medical grounds to support placement in a particular secondary school.
- Children of refugees and asylum seekers, homeless children, children with unsupportive family backgrounds, where a place has not been sought.
- Children without a school place and with a history of serious attendance problems.
  - Traveller children.
  - Children who are carers.

Such cases will be discussed in detail with the headteacher concerned before placement is confirmed. Again such placements will be made above the published admission number if necessary.

4. For pupils who are at risk of permanent exclusion and on the roll of a Wirral school it is open to the headteacher to refer the case to the Principal Officer (Admissions and Exclusions) to consider the possibility of a managed move.
5. Pupils in category 4 above who have moved to live on the Wirral will have their parent's request considered with reference to the normal admission arrangements. It is unlawful to refuse their preference if there are places available in the relevant year group.
6. Pupils who have been permanently excluded will normally be placed on the roll of WASP (Wirral Alternative School Provision). In a minority of cases where the exclusion was as the result of a 'one off incident' such pupils will be transferred immediately to an alternative school. Such transfers will be agreed with the parent and relevant headteacher. All secondary schools will take a minimum number of 1, or the number of permanent exclusions in the previous academic year, as the agreed quota of permanently excluded pupils for placement.

The majority of such pupils will have spent some time in the relevant alternative base or PRU. The transfer to a school will be decided at the Wirral Excluded Pupils Monitoring Panel (WEMP) on which headteachers are represented. All such placements will be initially on a trial basis for a minimum of six weeks. Confirmation of placement or the school roll will be subject to satisfactory report.

## **ADMINISTRATIVE PROCEDURES FOR TRANSFERS AND PLACEMENTS**

The Authority coordinates all parental requests for in-year transfers and placements.

1. Upon receipt of a transfer request Mainstream Admissions staff will establish whether or not the request has been discussed with the headteacher of the pupil's current school. If this is not the case, parents will be advised to contact the headteacher to discuss their request.
2. If the parents have discussed the request with the headteacher the transfer request form will be acknowledged and parents informed that Pupil Services will request completion of appropriate documentation to forward to their preferred school.

Requests for transfer in Y10 and Y11 will be discouraged on educational grounds, but parents have the ultimate right to proceed with the request.

3. The Transfer of Information Form will be sent to the pupil's current school for completion. The headteacher of the school must sign this information form. The form should be returned to Mainstream Admissions within 10 school days.
4. Upon receipt of the Transfer Request Form from the current school the decision will be taken either to refuse or to proceed.
5. If it is decided to proceed with the request, all relevant documentation will be forwarded to the requested school and the headteacher asked for comments. This documentation should include the parents' request form, reports from the current school and any other information from ESWs, Social Workers, EPs etc. (In the case of a voluntary aided or foundation school the request will be forwarded to the governors of the school).
6. The headteacher of the requested school should reply to the Authority within 5 school days, with comments expressing any reservations regarding admission of the pupil. The Authority will enter into discussion with the headteacher regarding any reservations. These discussions should be undertaken within 5 school days. Where it would be helpful, the Principal Officer (Admissions and Exclusions) may facilitate meetings between the parents and the schools involved in order to resolve any difficulties.
7. For Community Schools the Authority will consider all available information and decide whether to agree or refuse the request. For Foundation, Trust and Voluntary Aided Schools a decision will be communicated to Mainstream Admissions.
8. If the request is agreed headteachers will be informed of the decision, with any relevant explanation. Parents will be informed in writing and advised to contact the headteacher of the new school to arrange admission.



9. If the request is refused headteachers are informed of the decision and parents are informed in writing and given details of their statutory right to appeal. If a parent lodges an appeal, copies of the relevant documentation will be sent to the preferred school.
  
10. The time taken for a transfer request to be processed should be as short as possible. The Authority guarantees that parents will be informed of the outcome of their request within 15 school days.

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**WIRRAL COMMUNITY SECONDARY SCHOOLS  
PROPOSED ADMISSION NUMBERS FOR 2012-13**

<b>Community Schools</b>	<b>Proposed Admission Number for 2012-2013</b>
Mosslands School	265
Oldershaw School	200
Pensby High School for Boys	150
Pensby High School for Girls	150
Wallasey School	250

JB4850/RD/19.11.10

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## WIRRAL COUNCIL

CABINET - 9<sup>th</sup> DECEMBER 2010

### REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

#### **ADMISSION ARRANGEMENTS FOR COMMUNITY AND VOLUNTARY CONTROLLED PRIMARY SCHOOLS AND THE COORDINATED SCHEME FOR 2012-2013**

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#### **EXECUTIVE SUMMARY**

This report invites the Cabinet to consult on the admission arrangements for community and voluntary controlled primary schools and the coordinated admissions scheme for 2012-2013.

#### **Background**

1.0 The Authority is required to consult on its admission arrangements and to determine those arrangements by April of the preceding year. Regulations also require the Authority to have in place a coordinated scheme for admissions to all primary schools. A copy of the proposed scheme is attached (Appendix 1). Appendix (2) details the proposed admission numbers. No major changes are proposed to those arrangements currently in place, the Wirral Admission Forum consider that the current arrangements should be maintained. This report recommends that consultation is initiated.

#### **Risk Assessment**

2.0 There are no risks as the scheme is generally successful in meeting parental preference and no major changes are planned.

#### **Financial Implications**

3.0 There are none.

#### **Staffing Implications**

4.0 There are none.

#### **Equal Opportunities Implications/Health Impact Assessment**

5.0 There are none.

#### **Community Safety Implications**

6.0 There are none.

#### **Local Agenda 21 Implications**

7.0 There are none.

#### **Planning Implications**

8.0 There are none.

### **Anti-poverty Implications**

9.0 There are none.

### **Social Inclusion Implications**

10.0 There are none.

### **Local Member Support Implications**

11.0 All wards are affected by this report.

### **Background Papers**

12.0 The School Admissions Code 2010.

## **RECOMMENDATIONS**

That

- (1) Consultation takes place on the proposed admission arrangements and coordinated scheme for 2012-2013.

**David Armstrong**  
**Interim Director of Children's Services**

JB4844/RD/AMP/16.11.10

### SCHEME FOR THE CO-ORDINATION OF ADMISSION ARRANGEMENTS FOR MAINTAINED PRIMARY SCHOOLS IN THE WIRRAL AREA FOR THE ACADEMIC YEAR 2012-2013

This scheme fulfils the requirements of a qualifying scheme under the Education (Co-ordination of Admission Arrangements) (Primary Schools) (England) Regulations 2002 for the area of Wirral Borough Council. It builds on the well established co-ordination of primary school admissions that have been a longstanding feature of local practice.

The scheme applied to arrangements whereby children are to be admitted to primary schools in the academic year 2006/2007 which was the initial year, and for subsequent years, subject to any review. The following admissions authorities are covered by the scheme:

<b>Admissions Authority</b>	<b>Number &amp; Type of Schools</b>
Wirral Borough Council	60 Community Primary Schools 5 Voluntary Controlled Primary Schools
Birkenhead High School Academy	Academy
Christ Church (Moreton) CE Primary School Governing Body	1 Voluntary Aided Primary School
Christ The King Catholic Primary School Governing Body	1 Voluntary Aided Primary School
Dawpool CE Primary School Governing Body	1 Voluntary Aided Primary School
Holy Cross Catholic Primary School Governing Body	1 Voluntary Aided Primary School
Holy Spirit Catholic & CE Primary School Governing Body	1 Voluntary Aided Primary School
Ladymount Catholic Primary School Governing Body	1 Voluntary Aided Primary School
Our Lady and St Edwards Catholic Primary School Governing Body	1 Voluntary Aided Primary School
Our Lady of Pity Catholic Primary School Governing Body	1 Voluntary Aided Primary School
Sacred Heart Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Alban's Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Andrew's CE Primary School Governing Body	1 Voluntary Aided Primary School
St Anne's Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St John's Catholic Junior School Governing Body	1 Voluntary Aided Primary School
St Joseph's (Birkenhead) Catholic Primary School Governing Body	1 Voluntary Aided Primary School

St Joseph's (Upton) Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Joseph's (Wallasey) Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Michael & All Angels Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Paul's Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Peter & St Paul Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Peter's Catholic Primary School Governing Body	1 Voluntary Aided Primary School
St Peter's CE Primary School Governing Body	1 Voluntary Aided Primary School
St Saviour's CE Primary School Governing Body	1 Voluntary Aided Primary School
St Werburgh's Catholic Primary School Governing Body	1 Voluntary Aided Primary School
The Priory CE Primary School Governing Body	1 Voluntary Aided Primary School
Woodchurch CE Primary School Governing Body	1 Voluntary Aided Primary School

## **1. Applications for school places in the normal admissions round (that is, for admission in Foundation 2)**

- 1.1 Wirral Authority will act as the co-ordinating authority for all applications.
- 1.2 All parents who live in the area administered by Wirral Borough Council must apply for places in maintained primary schools either in Wirral or in the area of another local education authority by completing the Wirral Parental Preference Form. Forms will be generated and distributed centrally by the Mainstream Admissions & Transport Section of the Children & Young People's Department in September 2011.

The form provides an opportunity for the parent to:

- apply for up to 3 schools
- rank the schools applied for in order of preference

- 1.2 Applications for all schools including the Academy and Voluntary Aided schools must also be made on the common Primary School Application Form.



- 1.3 Schools in the scheme should not deal with application forms. They should forward them directly to the Children and Young People's Department.
- 1.4 Parents must return forms to the Children and Young People's Department by the 15 January 2012 to ensure the allocation of a school place on the last weekday in March 2012. Applications received after the published deadline of 15 January will be dealt with once the offer of places has been sent to parents on the last weekday in March.
- 1.5 Parents can apply for school places only from the 1 September preceding admission to Foundation 2, that is, at the beginning of the academic year in which their child's 4<sup>th</sup> birthday falls. Children are admitted to school at the beginning of the academic year in which their 5<sup>th</sup> birthday falls.
- 1.6 Applications from separated parents. We will accept only one application form per child. It is essential that agreement is reached by the parents of a child as to the preferences for school places. If agreement cannot be reached, or if neither parent has been granted a Specific Issues Order in this respect, then we will accept the application from the parent with whom the child is "ordinarily resident".
- 1.7 Parents who wish a different address to be used because they are moving house must provide verification of the move, i.e. independent evidence such as tenancy agreement or an exchange of contracts in a house purchase and proof of sale of their previous property.
- 1.8 Parents applying for a school place in an area of another Local Authority will be required to complete Wirral's application form.

## **2. Dealing with preference forms**

- 2.1 The Authority will, by applying the Council's admissions criteria, rank the order of priority of each application for community schools and voluntary controlled schools.
- 2.2 The Authority will provide the Academy and Voluntary Aided Schools with details of those preference forms which include an application for their school by 31 January 2012.

- 2.3 The Governing Bodies of the Academy and the voluntary aided schools will rank each application by applying the school's admission criteria and notify the Mainstream Admissions & Transport Section of their ranking by 18 February 2012.
- 2.4 Where a pupil is eligible to receive an offer of two or more school places then the Authority will allocate the highest priority preference.
- 2.5 The Mainstream Admissions & Transport Section will notify the Governing Body of the Academy, Catholic and Church of England voluntary aided primary schools of those pupils who will be allocated places at their school by 25 March 2012.
- 2.6 In March 2012 we will inform neighbouring LEA's of any pupils who are not resident in Wirral and to whom the Authority can offer places at Wirral schools.

### **3. Determination of Applications for Community and Controlled Schools**

- 3.1 Applications for all Community schools and also for Bidston CE Primary School, Holy Trinity Primary School (Hoylake), Millfields Primary School and St Bridget's CE Primary School (West Kirby) will be determined on the following basis:
- 3.1.1 All children who live in the school's catchment area will be eligible for a place so long as they have applied before the 15<sup>th</sup> January so long as there is space within the school's admission number. If there are more applications than there are places available then eligibility will be determined in accordance with the following scheme of priorities:
- Children in care.
  - Then children who live in the school's catchment zone in the following priority order:
    - Children who already have older brothers or sisters at the school when they are due to start school. If there are more children with older brothers or sisters at the school than there are places available, we will give priority to children with the youngest brothers or sisters at the school.
    - Children who have valid medical reasons for going to the school.
    - Children who live nearest to the school.

3.1.2 If children do not live in the school's catchment area and if places remain available, their eligibility will be determined in accordance with the following scheme of priorities.

- Children who already have older brothers or sisters (including half or step-brothers and sisters living in the same household) at the school when they are due to start school. If there are more children with older brothers or sisters at the school than there are places available, we will give priority to children with the youngest brothers or sisters at the school. (We will also treat a brother or sister at the junior school as a sibling)
- Children who have valid medical reasons for going to the school.
- Pupils who live nearest to the school. We measure distances from home to the school gate nearest to the child's home using the shortest road route, unless it is possible to use a footpath which we consider to be a safe walking route.

Places will be allocated up to the school's admission number to children who live out of zone according to their place in the rank determined by the scheme of priorities set out above.

3.2 Christ Church CE School in Birkenhead has different priorities for accepting pupils if there are not enough places at the school. It shares its zone with three other schools - Cole Street Primary School, Woodchurch Road Primary School and Woodlands Primary School. We give priority as detailed above in 3.1.1 and 3.1.2.

3.3 For community and voluntary aided schools, where the final place in a year group is offered to one of twins (or triplets etc) it will be our policy to admit the other twin too even if that means going above the admission number but not if it would require the Authority to take qualifying measures i.e. it would take the class size above 30.

3.4 Applications for the Catholic and Church of England voluntary aided schools will be determined by the governing bodies of these schools in accordance with their published admission criteria.

- 3.5 Where it is not possible to allocate a place at any of the schools applied for, children resident in Wirral will be allocated a place at the nearest appropriate school where there are places available. “Appropriate “ means community school if the parents’ preferences indicate preferences for non-denominational education; or a Catholic school or C of E school if the parents indicated a preference for education in a school of that denomination.
- 3.6 All schools will be required to admit a pupil if he or she has a Statement of special educational needs naming the school.

#### **4. Offer of Places**

- 4.1 Parents will be informed by the Director of Children’s Services of the school allocated in writing on the last weekday in March. The letter will also inform the parent of their right to appeal to an independent panel and who to contact to make an appeal.
- 4.2 If places become available before the start of the autumn term, the Authority will allocate them to children whose parents have either lodged an appeal but not been successful or who have expressed a continuing interest in a place at the school concerned. Parents can do this by indicating so on the reply slip attached to the allocation letter. If there are more children interested in a particular school than places available, the Authority will use the same criteria to determine priorities as is used for the initial allocation.
- 4.3 Children whose parents applied before 15 January will have priority over children whose parents applied after that date, provided they tell us that they continue to want a place at that school.

#### **5. Late Applications**

- 5.1 Applications received after the published deadline of 15 January will be dealt with after the offer of places have been sent to parents. We will send details of applications for voluntary aided schools to the governors of the schools concerned in the first week in April or if received after that date, within five days.

- 5.2 We will deal with preferences for community and controlled school in the date order we receive them. We will allocate places up to the school's admission number. If we receive several applications on the same day for the same school, we will use the following scheme of priorities:
- Children living in the school catchment area with priority being given to in the following order:
  - Children in care.
  - Children who already have older brothers or sisters (including half or step-brothers and sisters living in the same household) at the school when they are due to start school. If there are more children with older brothers or sisters at the school than there are places available, we will give priority to children with the youngest brothers or sisters at the school.
  - Children who have valid medical reasons for going to the school. (A letter in support of the child's admission to a particular school will be required)
  - Out of zone priorities (as per paragraph 3.1.2).
- 5.3 Parents will be notified in writing by the Children and Young People's Department. The letter will also inform the parent of their right to appeal for any Wirral school and who to contact to make an appeal.
- 5.4 Applications for Catholic or Church of England Aided Primary Schools and the Academy received after the published deadline of 15 January will be determined by reference to the schools' published admission arrangements and the governors will inform the Children and Young People's Department of the outcome of the applications. Parents will be notified in writing by the Children and Young People's Department. The letter will also inform the parent of their right to appeal and who to contact to make an appeal.

## **6. Waiting Lists**

6.1 If at the end of the Summer Term a school is believed to be full, the Authority will close the procedures and make no more reallocations. However, it may be that places will become available at the beginning of or during the Autumn Term. The Authority will keep a waiting list of children whose parents are interested in obtaining a place at the school if a place becomes available. The Authority will write to the parents of those children included in 4.2 who have expressed a continuing interest. This waiting list will be held open during the Autumn Term. Priority on the waiting list for community and controlled schools will be given to children in accordance with the following criteria:

- i) children living in the school's catchment area; if priorities have to be determined the Authority will use the out of zone criteria
- ii) children living out of zone, if priorities have to be determined the Authority will use the out of zone criteria listed in paragraph 3.1.2

The Authority will contact parents directly if a vacancy does occur. The Authority will cease to hold the waiting list at the end of the Autumn Term.

## **7. Applications outside of the normal round of admissions**

7.1 Applications for all schools including the Academy and Voluntary Aided schools must also be made on the common Primary School Application Form.

7.2 Schools should not deal with application forms. Any forms received by schools should be forwarded to the Children and Young People's Department.

7.3 The Authority will provide Voluntary Aided Schools and Academy with copies of those application forms which include a preference for their school.

7.4 The Governing Bodies of Voluntary Aided schools and Academy will consider each application by applying the school's admission criteria and notify the Pupil Services Section of their decision.

- 7.5 Where a pupil is eligible to receive an offer of two or more school places then the highest priority preference will take precedence.
- 7.6 All parents will be informed by the Children and Young People's Department of the school place allocated by letter. The letter will also inform the parent of their right to appeal and who to contact to make an appeal.
- 7.7 We arrange for children in Years 1 and 2 to start at a community or controlled primary school in a similar way as reception-age children. The appropriate year group is determined by the chronological age of the child.

**Key Stage 1** - We will offer children places at their catchment school as long as this will not bring the class size to more than 30 and if we cannot offer an alternative school place within two miles of the parents home address.

We will agree a place in an out-of-zone school as long as:

- i) there is room within the admission number; and
- ii) there are not already 30 children in the class.

Where a school, which is below its admission number, has organised its Key Stage 1 into classes of 30 and the only way to admit another child would require the Authority to take Qualifying Measures (that is would require the Authority to provide additional resources in terms of staff and accommodation at the school.), these are grounds on which the Authority may refuse an application.

**Key Stage 2** – Children are automatically entitled to a place at their catchment school even though the school may be on or above its admission number.

We will agree a place in an out-of-zone school as long as there is room within the admission number.

The Authority will not keep waiting lists for places in Year 1 and above.

## **8 Determination of Pupils transferring from Infant to Junior Schools**

- 8.1 All children who are on roll at the Infant School listed below are eligible to transfer to the junior school linked with that infant school even if they do not live in the school's catchment area. Children who live in the catchment area of the Junior School are also eligible.

Black Horse Hill Infant School to Black Horse Hill Junior School

Brackenwood Infant School to Brackenwood Junior School

Greasby Infant School to Greasby Junior School

Overchurch Infant School to Overchurch Junior School

Town Lane Infant School to Higher Bebington Junior school

- 8.2 Admissions to St John's Junior School are detailed by the governing body in accordance with the school's admission arrangements.



## WIRRAL COMMUNITY AND VOLUNTARY CONTROLLED PRIMARY SCHOOLS

### PROPOSED ADMISSION NUMBERS FOR 2012-13

SCHOOL	ADMISSION NUMBER 2012 – 2013
Barnston Primary	45
Bedford Drive Primary	55
Bidston Avenue Primary	60
Black Horse Hill Infant	60
Black Horse Hill Junior	60
Bidston Village Church of England Primary School	50
Brackenwood Infant	60
Brackenwood Junior	60
Brookdale Primary	30
Brookhurst Primary	30
Castleway Primary	30
Christchurch CE Primary (B)	34
Church Drive Primary	40
Cole Street Primary	30
Devonshire Park Primary	60
Eastway Primary	30
Egremont Primary	57
Fender Primary	30
Gayton Primary	30
Greasby Infant	60
Greasby Junior	60
Great Meols Primary	60
Greenleas Primary	44
Grove Street Primary	55
Heswall Primary	30
Heygarth Primary	45
Higher Bebington Junior	85
Hillside Primary	30
Hoylake Holy Trinity CE Primary	42
Irby Primary	30
Kingsway Primary	25
Leasowe Primary	30
Lingham Primary	57
Liscard Primary	89
Manor Primary	30
Mendell Primary	27
Mersey Park Primary	60
Millfields Primary	24
Mount Primary	45
New Brighton Primary	78

Overchurch Infant	90
Overchurch Junior	103
Park Primary School	50
Pensby Primary	30
Portland Primary	30
Poulton Lancelyn Primary	60
Prenton Primary	60
Raeburn Primary	55
Riverside Primary	43
Rock Ferry Primary	47
Sandbrook Primary	30
Somerville Primary	75
St. Bridget's CE Primary	60
St. George's Primary	110
Stanton Road Primary	45
Thingwall Primary	30
Thornton Hough Primary	25
Town Lane Infant	78
Townfield Primary	60
Well Lane Primary	30
West Kirby Primary	37
Woodchurch Road Primary	71
Woodlands Primary	44
Woodslee Primary	46

## WIRRAL COUNCIL

CABINET - 9 DECEMBER 2010

### REPORT OF INTERIM DIRECTOR OF CHILDREN'S SERVICES

#### PLAYBUILDER PROGRAMME REPORT

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#### EXECUTIVE SUMMARY

The purpose of this report is to update Members on the current Play Builder programme and the recently revised Government play capital allocations and to seek approval for expenditure on the sites identified in the Year 2 programme.

#### 1. Background

- 1.1 In January 2009, Wirral Council successfully applied to DCSF to be a Play Pathfinder and was awarded Wave 2 Playbuilder status from April 2009. The funding allocation offered to Wirral Council under Playbuilder status was £1,129,445 capital and £45,648 revenue.
- 1.2 Over the two-year programme period, 2009-2011, the funding is to support the development (or redevelopment) of a minimum of 22 play areas across Wirral. This programme invested £235m nationally in children's play for three years from 2008 to 2011. A variety of freely accessible play facilities to be developed targeting the 8 - 13 year age range specifically. The programme is intended to develop public play spaces close to where children live, make them safe, but also interesting, exciting and stimulating, whilst available to all.

#### Year 1 Programme

- 1.3 The first year programme was completed in March 2010, 11 play areas have been built or improved. Due to the timescales involved and the grant conditions, Year 1 sites were selected based on the Play Strategy audit and consultation, areas of identified need, geographical locations, maintenance cost, match funding opportunities and also sites where there were strong community groups and Friends of Parks involvement. These sites were approved at Cabinet on 23<sup>rd</sup> April 2009 and subject to further consultation with the Play Partnership the proposed Year 2 sites were to be considered as projects for Year 2 (2010/2011).

#### No. Year 1 sites Completed

1. Meols Rec. Play Area
2. Harrison Park, New Brighton
3. Ashton Park, West Kirby
4. New Ferry Park
5. Moreton Linear Park
6. Woodlands play area, Birkenhead
7. Irby Park,
8. Newton Park,
9. Tower Grounds, New Brighton
10. Victoria Park, Tranmere
11. Bromborough Recreation Ground

- 1.4 Consultation was conducted by Play Rangers and Play Practitioners on all 11 play areas allocated for improvements. Children and young people have been involved in the decision making process - through local feeder schools, youth clubs, play centres, Play Day and the Wirral Youth Conference. This included identifying their play needs, any barriers to playing outdoors and what they liked to experience through playing. The children worked in small focus groups which generated ideas and drawings. These were interpreted and included in the final designs. This has led to the inclusion of more risky and challenging play equipment being incorporated into the final play area plans.
- 1.5 The programme has been complimented by the support of local Friends of parks groups and community groups who have generated extra funding to support further improvements. A focus group was held with parents of disabled children at Stanley School to discuss access issues from their perspective. This led to the securing of an additional grant of £25k from Aiming Higher to provide more inclusive play equipment. Specific consultation work with girls was also undertaken through a local secondary school.
- 1.6 The improvements to the Year 1 play sites have proved to be very successful and monitoring supports this. Children are playing out more, engaging with the wider community and gaining greater independence and resilience which leads to the development of healthy adults. This early intervention strategy has enabled children to have access to safe outdoor play space which supports the fight against child obesity by improving and maintaining children's physical and mental health. The provision of local recreational play facilities also helps to tackle anti-social behaviour issues, whilst providing opportunities for developing social skills and learning.

## **Year 2 Revised Programme**

- 1.7 In June 2010, the ring fence on play capital grants and the play revenue funding was withdrawn with immediate effect. The Department for Education also removed any expectation on how many play facilities Councils were expected to deliver with the capital grant.
- 1.8 A further announcement in July 2010 put the programme on hold pending a review with the directive any new contractual liabilities were not to be incurred.
- 1.9 At this stage, three Year 2 play areas had been committed for improvements. These were Warwick Park where the contract had been awarded. Port Causeway and Whitfield Common, were also committed sites as these were predominately funded by the BIG Lottery Children's Play Fund. In addition to these sites expenditure had already been incurred on the purchase of play equipment in preparation for the Year 2 programme.
- 1.10 In October, the Department for Education announced Wirral's revised allocation of £373,990.63 to cover expenditure already incurred, contractual commitments and as affordable, to support some other valued projects already identified in Wirral's Year 2 programme.
- 1.11 The Year 2 sites were finalised through consultation and negotiation to ensure a strategic approach to the location of improved play areas with the Wirral Play Partnership across the Borough. The revised allocation of Play Builder capital grant means 4 play areas will receive major improvements as well as the 3 sites already committed. The remaining sites will have play equipment installed determined by the

revised budget allocation and the priority ranking list, and any other additional match funding available.

<b>Play Builder Schemes Programme Plan</b>				
<b>No.</b>	<b>Play Area</b>	<b>Budget</b>	<b>Match Funding</b>	<b>Priority /Rank Score</b>
1	Whitfield Common, Heswall	Nil	50,000 BIG Lottery	Committed Build - 75
2	Port Causeway, Bromborough	10,000	50,000 BIG Lottery + 5,000	Committed Build - 85
3	Warwick Park, Upton	50,000	9,869 Parks & Countryside	Committed Build - 80
4	Higher Bebington Recreation	70,000		85
5	Whiteheath Park, Leasowe	70,000		85
6	Tor Park, Eastham	60,000		65
7	Arrowe Park	16,000		65
8	Birkenhead Park	50,000	5,000 from Birkenhead Park awaiting decision on additional funding	65
9	Central Park, Seacombe	16,000		60
10	Ilchester Square, B,head	16,000		55
11	Duck Pond Lane, Oxton	16,000	Possible Funding from Friends	50
	<b>Total</b>	<b>374,000</b>		

- 1.12 The removal of the ring-fence means the Department for Education will not set expectations about how many play areas must be delivered with the revised 2010-11 capital allocations. The funding has to be used for capital purposes by 31 March 2011.

## 2. Risk Assessment

- 2.1 The possibility of insufficient time to complete the programme by 31<sup>st</sup> March 2011. This shorter time period has transpired due to the national review. Every effort will be made to meet the revised timescale. Some equipment is already held in store.

## 3. Financial Implications

- 3.1 Wirral has been allocated a revised Playbuilder capital allocation from the Department of Education:

<b>Playbuilder Capital</b>			<b>Minimum Number of play areas/year</b>		
<b>09/10</b>	<b>10/11</b>	<b>total</b>	<b>09/10</b>	<b>10-11</b>	<b>Total</b>
£530,952	£373,990.63	£904,942.63	11	11	22
<b>Playbuilder revenue</b>					
<b>2009-10</b>	<b>2010-11</b>	<b>Total</b>			
£27,389	Nil	£27,389			

- 3.2 A new Grant Determination Letter from the Department for Education sets the new grant criteria and the revised allocation. The grant will be paid in two equal instalments on 30<sup>th</sup> November 2010 and 28<sup>th</sup> February 2011.

- 3.3 The Parks and Countryside Services, Landscape team will be permitted to charge fees for professional services to the capital amount, which are estimated to be 15%. This includes design development, tender and contract management of the sites selected.
- 3.4 Playbuilder authorities have to comply with HM Treasury guidelines in the procurement of goods and services for which it receives grant, so as to secure best value for money. In particular, contracts of work, equipment, stores and services etc. awarded shall be placed on a competitive basis, unless there are good reasons to the contrary. Tendering procedures shall be in accordance with the EU Procurement Directive and UK Procurement Regulations, where applicable and any additional guidance issued by the Department For Education.
- 3.5 No new play areas are currently being proposed, the sites are existing facilities to be developed and improved which are currently maintained by the Parks and Countryside service, and will continue to be covered under their maintenance resources, (there is no additional funding available for maintenance in this programme).

#### **4. Staffing Implications**

- 4.1 The project will be managed by the Children and Young People's Department.

#### **5. Equal Opportunities Implications/Health Impact Assessment**

- 5.1 Wirral's PlayBuilder programme reflects inclusiveness and promotes equal opportunities and access.

#### **6. Community Safety Implications**

- 6.1 Community safety issues may arise through the site selection process, specifically regarding safe routes to play and road safety issues.

#### **7. Local Agenda 21 Implications**

- 7.1 There are no specific Local Agenda issues arising from this report.

#### **8. Planning Implications**

- 8.1 There are none arising from this report.

#### **9. Anti-poverty Implications**

- 9.1 The improved play facilities will be freely accessible and free of charge to children and families and will target those areas of most need, as identified in the play audit.

#### **10. Social Inclusion Implications**

- 10.1 The projects reflects Wirral's commitment in ensuring children have equal access to play and be able to participate in local play opportunities.

## **11. Local Member Support Implications**

- 11.1 The programme specifically requires the involvement of locally elected members, and they will be part of the decision making process through their involvement in Wirral's Play Partnership.

## **12. Background Papers**

- 12.1 Play Builder Projects Year 2  
Play areas map

## **RECOMMENDATIONS**

That

(1) the revised Play Builder capital funding of £373,990.63 from the Department for Education to improve 11 play areas in 2010-2011 be allocated in accordance with the project plan and be included in the Children and Young People's Capital Programme for 2010/2011

(2) approval be given for the sites identified for Year 2 expenditure (2010/11)

**David Armstrong**  
**Interim Director of Children's Services**

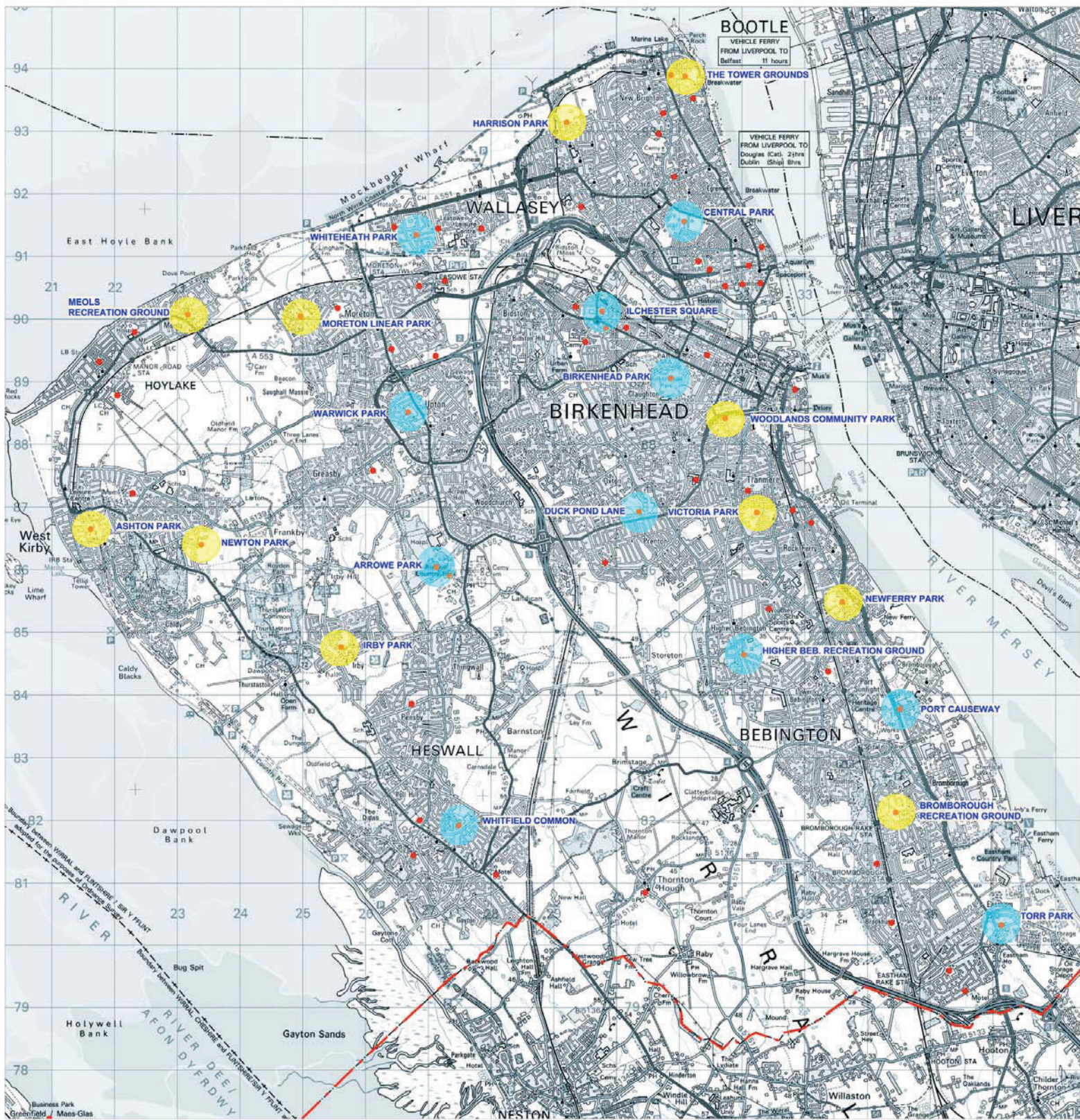
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**PLAYBUILDER PROJECTS YEAR 2**

Site	Geographical Location	Deprivation	Child Obesity	Child Pop	Involvement Of YP	Quantity of Play Areas	Quality of Play Areas	Links with Play Projects	Community Support	Improvements last 5-10 years	Accessibility & Safety	Additional Funding
12. Central Park	5	10	10	10	0	5	0	10	5	0	5	60
13. Whiteheath Park	5	10	10	5	10	0	10	5	10	10	10	85
14. Birkenhead Park	5	10	10	10	10	5	0	5	5	0	5	65
15. Warwick Park	5	0	10	5	10	5	5	10	10	10	10	80
16. Ilchester Park	5	10	10	10	5	0	5	5	0	0	5	55
17. Arrowe Park	10	0	5	5	0	10	10	5	10	10	0	65
18. Duck Pond Lane	10	0	10	5	5	5	0	5	5	0	5	50
19. Whitfield Common	10	0	5	5	10	5	5	5	5	10	5	75
20. Higher Beb. Rec.	10	0	10	5	10	10	10	5	10	10	5	85
21. Port Causeway	10	0	10	5	10	10	5	5	5	10	5	85
22. Torr Park	10	0	5	5	5	5	10	5	5	10	5	65

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**KEY**

- Proposed year one
- Proposed year two
- Other Play Areas

**Wirral Play Areas  
With 400m Buffers**

drawn	JAS	drawing number
scale	1:30,000	date



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## WIRRAL COUNCIL

CABINET 9 DECEMBER 2010

### REPORT OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

#### CONSTRUCTION OF A THIRD GENERATION SYNTHETIC FOOTBALL PITCH AT WOODCHURCH HIGH SCHOOL

#### SCHEME AND ESTIMATE REPORT

---

#### EXECUTIVE SUMMARY

This report seeks approval to construct a synthetic football pitch and changing facilities at Woodchurch High School. The facility will be primarily used by the school during the day and by Football Association affiliated football clubs in the evenings and at weekends. This report sets out the costs of the scheme at £925,550 and gives details of the Football Association Bid for an amount of £500,000. This project is part of the overall regeneration of the Woodchurch campus which has been subject to previous Cabinet approvals.

#### 1.0 BACKGROUND

- 1.1 Woodchurch High School has been rebuilt as part of the national One School Pathfinder Programme. This site also includes a sports centre built from Lottery Funding in 2005. The centre is used and managed by the school and has extensive public use.
- 1.2 In 2008 Woodchurch High School and the CYP department began discussions with the Football Association (FA) to look into the development of football within the school and the community through the provision of a high quality 3G synthetic football pitch. This asset would compliment the existing sports centre and the external grass pitches and training facilities which have been provided under the One School Pathfinder Programme.
- 1.3 In order for the bid process to commence it was necessary for a feasibility study of the proposed location of the pitch to take place. This was carried out in 2008 and required a number of surveys to be undertaken to inform the bid process of potential flood risks, ground conditions, drainage and earthworks. From these surveys a general design layout was produced and costings obtained for the development.
- 1.4 At the same time as the feasibility study was taking place a Football Development Plan was drawn up by the school in consultation with the FA and involved local football clubs and other interested parties. The Development Plan was submitted to the FA and approval was received in February 2010.

Key inclusions within the Development Plan were:

- (a) Growth & Retention: level of the usage of the pitch, development of players, competition use by U14 & U15 Wirral football teams, use of facility across Wirral for tournaments, emphasis on the development of girls football and those young people with disabilities
- (b) Raising Standards & Addressing Abuse & Behaviour
- (c) Better Players: coaching players, leadership

- (d) Workforce Development: training courses, qualification attainment
- (e) Facility development
- (f) Promotion of Facility

By undertaking this detailed Football Development Plan the facility is considered to be sustainable by the FA. It will offer a wide range of opportunities for young people across the Wirral and offer an excellent venue for FA affiliated football clubs.

- 1.5 Conditions of the funding from the FA required approval of the Football Development Plan (which has been given), and the design of pitches and changing facilities that meet FA minimum standards. The facility will be closely monitored by the FA to ensure that the required outcomes of the Football Development Plan are met. The next stage of the process is to have the bid approved, this will give the FA details of the construction programme, finances, management arrangements of the facility, ownership details, maintenance arrangements etc. This final bid document will be submitted to the FA board for approval in early December 2010.
- 1.6 Technical details for the 3G pitch were prepared by Milieu Landscapes (previously trading as Bureau Veritas) who had been previously appointed as technical advisors on the Playing Field improvement scheme at a number of schools in the Borough. Technical details for the changing rooms were prepared by Technical Services Department.

The two elements for construction are:

(1) 3G Pitch, in order to meet the strict design criteria of the FA, full compliance with the FA's publication "Artificial Grass Pitches for Community Use, May 2005" must be observed. Specifications must meet the size requirements, and other technical specifications such as the engineered base for construction, flood lighting, ball-stop fencing etc.

(2) Changing Rooms to be built must meet the design criteria as specified by the FA, these consist of 4 x 12 person changing rooms and 2 x 16 person changing rooms.

- 1.7 Full Planning Permission is required for this scheme, and this was approved in February 2010.
- 1.8 Management of the facility will be undertaken by the schools sports centre. The existing committee will manage finances, maintenance of the facility, oversee booking arrangements and other issues appertaining to the pitch and changing facilities. This support is currently provided to the sports centre.

## **2.0 RISK ASSESSMENT**

- 2.1 No FA funding approved; No contracts will be let until confirmation of FA funding has been received.
- 2.2 Change to Trust School status; Under normal circumstances all land and assets would transfer to the school under the Trust arrangements however, it has been agreed with the school that the sports centre and football facility would remain in the ownership of the Council.

2.3 Community bookings do not meet targets set by the management committee; The school will use its delegated budget to meet utility costs, maintenance and up keep of the facility. Any shortfall in the predicted income from community use could be a risk to the Local Authority however, the current sports centre management has to date ensured financial stability.

2.4 No other risks have been identified with this project.

### 3.0 FINANCIAL IMPLICATIONS

3.1 The Estimate for this work is set out below. All costs are at the first quarter of 2011.

Building costs	
(1) 3G Pitch including associated external Works	£493,043.95
(2) Changing room facilities	£311,770.00
(3) Departmental Charges including:	
Professional Fees @ 15%	
Clerk of Works Salary	
CDM Coordinator	
Planning and building regulation fees	£120,722.09
<b>Total</b>	<b>£925,536.04</b>

The scheme will be funded from the following resources:

CYPD Capital receipts	£250,000.00
(Cabinet approval already in place)	
School Devolved Formula Capital	£175,536.04
Football Association funding	£500,000.00
<b>TOTAL</b>	<b>£925,536.04</b>

3.2 The above estimate has been submitted to the FA for their consideration of the overall bid. Full FA approval will be required for the scheme to proceed.

3.3 The running and maintenance of the facility will be met from the schools delegated budget and from income generated by the hiring of the football facilities and changing rooms.

3.4 Contract procedure Rule 14 will require that the tender acceptance will be reported to Cabinet for their decision, in accordance with the Council's procurement policy.

### 4.0 STAFFING IMPLICATIONS

4.1 The Professional Services for the scheme will be provided by staff within the Technical Services Department and Milieu Landscapes.

4.2 In accordance with the Construction (Design and Management) Regulations the Director of Technical Services will carry out the role of CDM Coordinator.

## **5.0 EQUAL OPPORTUNITIES IMPLICATIONS/EQUALITY/HEALTH IMPACT ASSESSMENT**

- 5.1 Access will be provided for children and adults with disabilities to all playing areas of this facility. Six changing rooms are included in the scheme which compliment the existing changing facilities on site. These include accessible WC and changing facilities which will be available for users of the facility, spectators and staff. The project aims to increase the accessibility of football facilities to young people with disabilities and is referenced within the Football Development Plan.
- 5.2 There are no implications in this report specifically for women, ethnic minorities or the elderly. This project aims to increase the number of women who play football and is referenced within the Football Development Plan.
- 5.3 There are no specific health implications but an impact assessment will be undertaken prior to the works being tendered.

## **6.0 COMMUNITY SAFETY IMPLICATIONS**

- 6.1 The design of this project will take account of best practice to reduce the risk of crime and the local crime prevention officer will be consulted.
- 6.3 The scheme has the potential to provide key community use due to its stand-alone construction and positioning within the school boundaries and general location within the Woodchurch area.

## **7.0 LOCAL AGENDA 21 IMPLICATIONS**

- 7.1 Within the changing rooms thermal insulation is to be provided to meet the standards and guidelines recommended by part L2 of the Building Regulations. Low energy electrical fittings, heating controls and water saving devices will all be used as far as possible to help reduce the consumption of natural resources.
- 7.2 All timber used will be from sustainable sources regulated by the Forestry Stewardship Council.
- 7.3 The successful contractor will be encouraged to employ local labour and source materials from local suppliers once construction commences.
- 7.4 The successful contractor will be encouraged to enter into dialogue with the Council's Construction Employment Integrator team, with the objective to agree target recruitment training hours in conjunction with the project.

## **8.0 PLANNING IMPLICATIONS**

- 8.1 Planning approval has already been granted for this project, subject to a condition that cycle parking facilities are provided. Works to implement the planning permission would need to take place by the 19<sup>th</sup> February 2013.
- 8.2 Building Control regulations will apply to this development.



## **9.0 ANTI POVERTY IMPLICATIONS**

9.1 There are no specific anti poverty implications within this report.

## **10.0 SOCIAL INCLUSION IMPLICATIONS**

10.1 The proposed works will assist in providing an integrated approach to children's education, which is recognized as being a key factor in determining positive educational outcomes for all children.

## **11.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

11.1 Woodchurch High School is in Upton ward and also has a pupil intake from a number of other wards.

## **12.0 BACKGROUND PAPERS**

12.1 The information used in the preparation of this report was obtained from working files in the Children and Young Peoples Department and no other background papers have been used in the preparation of this report with the exception of the Architects file C18479 and the Quantity Surveyors working papers.

12.3 FA bid and business case dated November 2010 and February 2010 respectively.

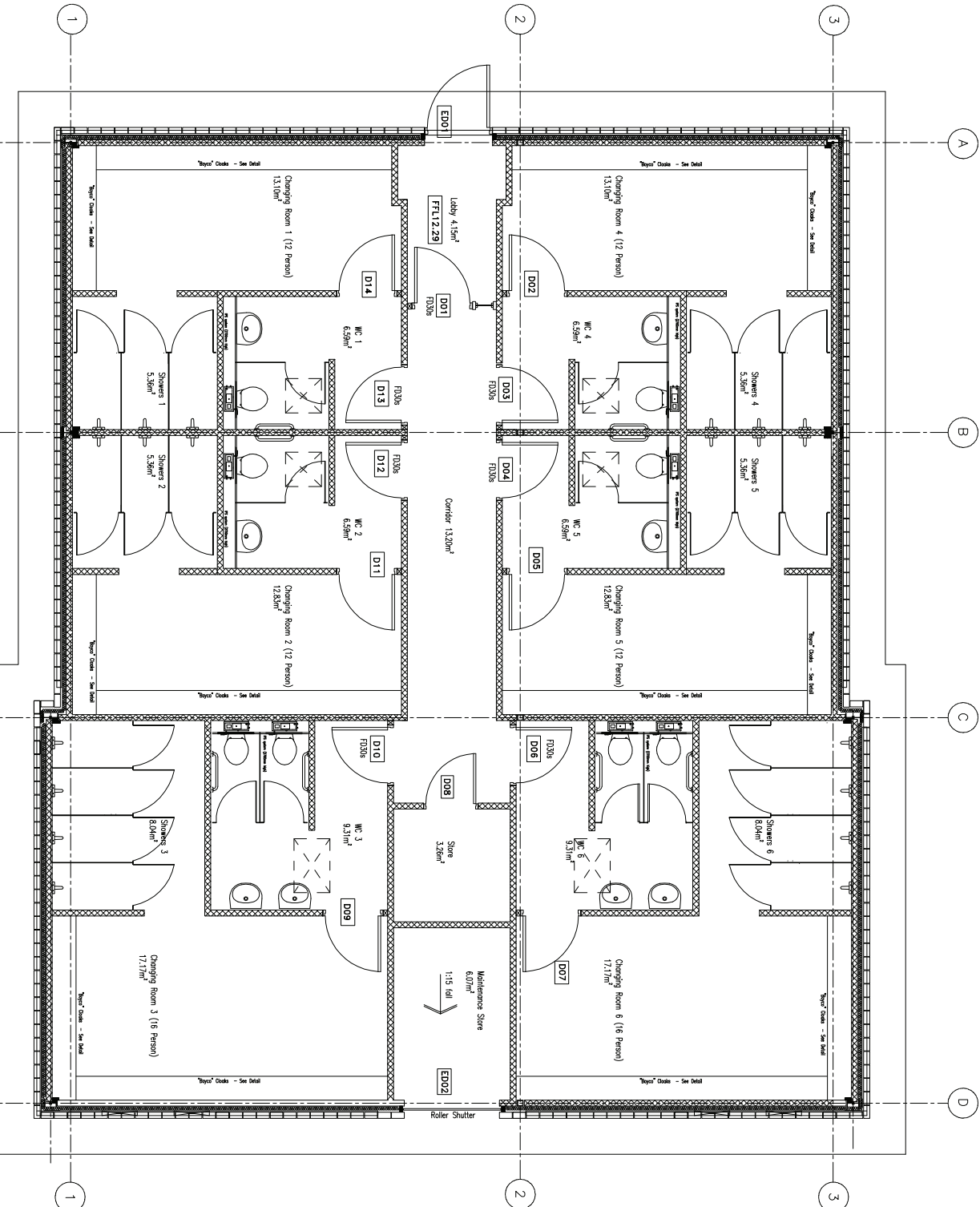
## **RECOMMENDATIONS**

That:

1. The Scheme and Estimate, as presented, be accepted. Subject to approval and funding from the FA.
2. The Director of Technical Services be authorised to obtain all necessary statutory approvals for the project.
3. The Director of Technical Services be authorised to seek tenders for the project when funding is approved.
4. The tender recommended for acceptance will be reported to Cabinet for their decision, in accordance with the Council's Procurement Policy.
5. Cabinet will be kept informed of any changes to the above proposals.

**David Armstrong**  
**Interim Director of Children's Services**

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REV DATE INITIALS REVIEWED

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PROJECT  
**WOODCHURCH HIGH SCHOOL  
 CARR BRIDGE ROAD, WOODCHURCH  
 CH49 7NG**

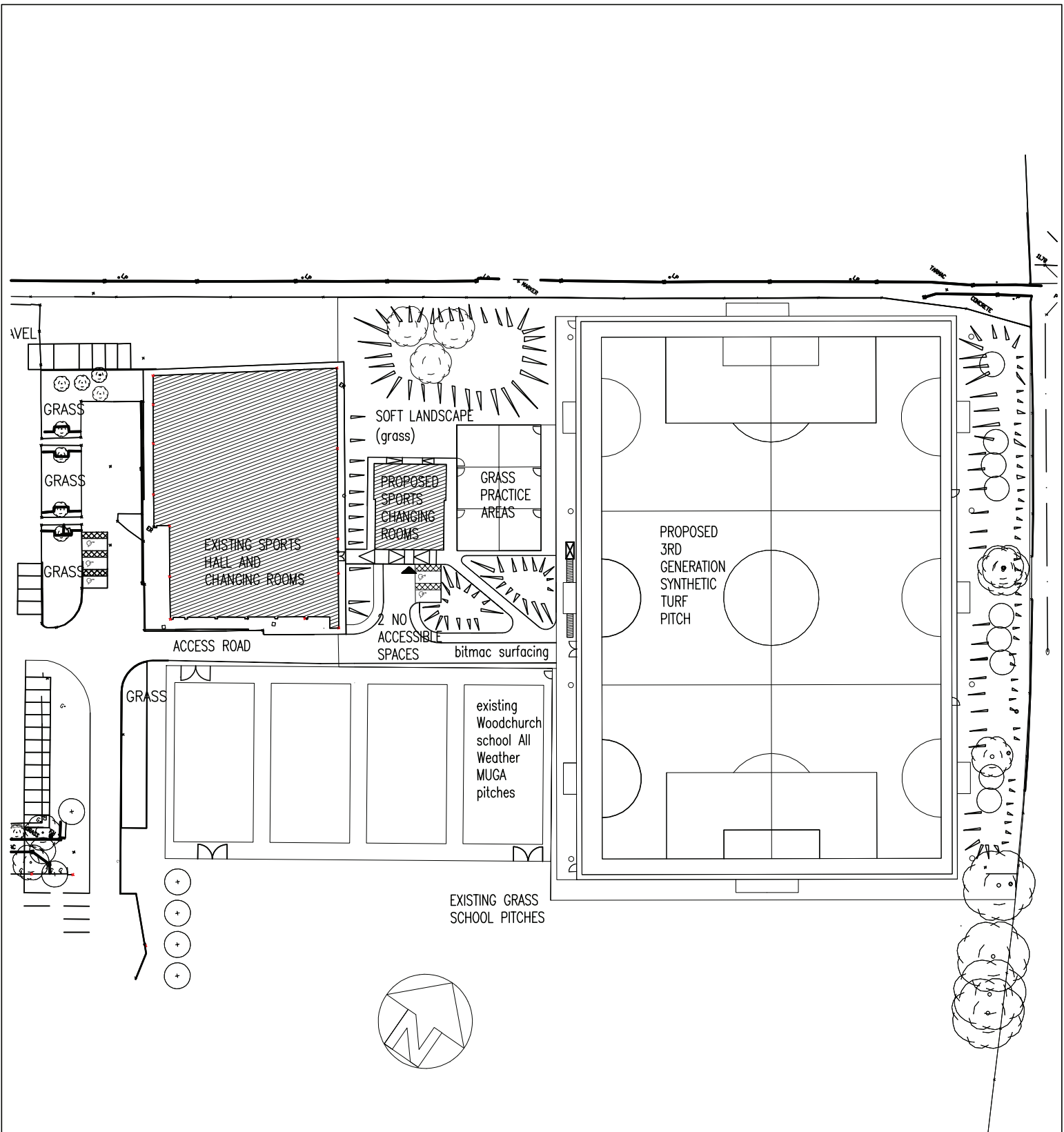
BRANNING TITLE  
**3RD GENERATION ALL WEATHER PITCH  
 & CHANGING FACILITIES**

General Arrangement /  
 Setting Out Plan

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WRITTEN DIMENSIONS TO BE PREFERRED TO SCALED.

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PROJECT WOODCHURCH HIGH SCHOOL CARR BRIDGE ROAD, WOODCHURCH CH49 7NG							
DRAWING TITLE 3RD GENERATION ALL WEATHER PITCH & CHANGING FACILITIES. SITE PLAN.							
DRAWN PIH	REVIEWED JM	AUTHORISED BG	REV	INITIALS	REVIEWED	DATE	DRAWING NO. C18479/02
SCALE 1:1000			Page 137				REV.
DATE Nov 2010							UPRN 064600382000

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## WIRRAL COUNCIL

### CABINET – 9 DECEMBER 2010

#### REPORT OF THE DIRECTOR OF TECHNICAL SERVICES

#### BIDSTON MOSS VIADUCT UPDATE AND DOCKS LINK ROADS RESURFACING

##### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides a summary of the current progress of the works to strengthen the Bidston Moss Viaduct.
- 1.2 Additionally, the report requests authorisation pursuant to Contract Procedure Rule 5.2 for a contract to be awarded by the Council to Costain Limited, the contractor undertaking the viaduct repair works, on a single tender basis, to carry out resurfacing activities on the Council's highway network adjacent to the viaduct site.

##### 2.0 BACKGROUND

- 2.1 Members will be aware that work is currently proceeding to strengthen the Bidston Moss Viaduct at junction 1 of the M53. Background to the project, cost sharing arrangements, and that full approval to proceed had been granted by the Department for Transport (DfT), was reported to Cabinet on 15 April 2010 (Minute 401 refers).
- 2.2 Phase A of the contract (site investigation, design and advanced works) commenced on site in April 2009. Phase B of the contract (strengthening and construction activities) commenced in April 2010.
- 2.3 The Council has entered into a Tri-Partite Agreement with the Highways Agency (HA) and Merseytravel, for delivery of the project, following approval from the Council's Executive Board on 8 February 2007 (Minute 251 refers). A condition of the Agreement is that no major traffic restrictions shall be erected on the highway network in the vicinity of the viaduct for a period of five years after completion of the works.

##### 3.0 PROGRESS OF VIADUCT WORKS

- 3.1 At the time of writing this report 34.83% of the construction works have been completed against a planned 37.25%. However, as a result of proposed additional resources, Costain are currently re-programming the works, forecasting completion of strengthening activities, and hence removal of temporary traffic loading restrictions, by 2 November 2011, against an initial programmed target of 31 December 2011. Costain are also forecasting an overall contract completion of 24 March 2012, against an initial programmed target of 31 March 2012. The current forecast target cost of the contract works is £565,000 below the original target cost.
- 3.2 The works to the viaduct include a variety of internal and external steelwork strengthening solutions to the box girders; concrete repairs and protection to the reinforced concrete columns and viaduct deck, together with replacement street lighting and surface water drainage infrastructure. Additionally, the steel box girders will receive a full replacement specialist paint protective coating system. The internal strengthening and protective coating works are especially complex due to the difficult access, including confined spaces, and associated safety requirements. The site currently includes the largest scaffolding installation in the UK. Some 232 permanent staff are employed on the site at the present time.

- 3.3 In order to carry out some of the critical strengthening operations it is necessary to work in some areas of structure without the effects of traffic loading affecting the integrity of the works. In order to facilitate these operations, Costain have applied for a series of temporary traffic regulation orders to close certain sections of the viaduct to all traffic overnight, between the hours of 8pm and 6am. These closures are agreed with Council officers, Merseytravel officers and Merseyside Police, in advance, as part of a routine traffic co-ordination process. Diversion routes via Hoylake Road and Wallasey Bridge Road, Birkenhead, are clearly signed by Costain during these overnight closures and the closures are advertised in advance, in accordance with the usual notification systems employed by Technical Services Department.
- 3.4 Costain are required to report against stringent indicators and reporting mechanisms set internally and by the HA, on health & safety, programme, commercial matters and performance. The project currently has a Motivating Success Toolkit (MST) score of 8.0 out of 10.0, which is in the blue (highest scoring) zone, and a Client Satisfaction score of 9.12 out of 10.0. There have been a total of 628,102 man hours worked on site to date with no reportable (RIDDOR) accidents, giving a current Accident Frequency Rate (AFR) of 0. The site has received a score of 37.5 out of 40 at last inspection, under the Considerate Constructors Scheme, which is classed as a site that is “exceptionally good”, representing less than 10% of all sites inspected, and will be nominated for a national award as a result.

#### **4.0 HIGHWAY WORKS**

- 4.1 The A5139, Docks Link South, from its junction with the roundabout on the A554, at Junction 1 of the M53, to its junction with the roundabout on A5088 Poulton Bridge Road (approximately some 1.25k in length), was resurfaced by Wirral Council in 1999. Subsequently, in 2000, the A5139 Docks Link North (between the same junctions) was also re-surfaced by the Council. However, the surfacing is now showing signs of severe premature wear, following several changes to the lane configurations for both traffic safety and viaduct loading mitigation reasons, with high volumes of heavy goods traffic concentrated into single lanes in places. The surfacing has had to be patched on numerous occasions, requiring temporary short-term road closures, and may be expected to require regular maintenance interventions until its replacement.
- 4.2 One of the key Project Objectives for the Bidston Moss Viaduct Strengthening project, and a condition of the Tri-Partite Agreement, is that there will be no ‘Type A’ Traffic Management in the area around the Viaduct for a period of 5 years after completion of the works (i.e. no planned maintenance requiring major lane closures etc.). This condition is to help safeguard the public against further restrictions and traffic disruption occurring in the period after the major construction works necessary for the viaduct strengthening. This area, as defined in the Agreement, includes all of the Docks Link Roads as far as their junction with Poulton Bridge Road.
- 4.3 Even with regular maintenance interventions, there is no realistic prospect of the Docks Link Roads’ surfaces lasting in a reasonably serviceable condition until 2017 (5 years after completion of the viaduct strengthening) and hence not requiring major lane closures for resurfacing. Consequently, to comply with the Council’s legal obligations under the Tri-Partite Agreement, any resurfacing work must be completed by March 2012, when the viaduct contract is expected to be finished.

#### **5.0 CONTRACT PROPOSALS**

- 5.1 Because the premature surfacing failure on the viaduct itself is construed as having a direct causal link to the interim load mitigation measures placed on the structure

since 2000, agreement has been reached with the HA that the replacement of all surfacing on the elevated sections of both Docks Link South and Docks Link North (on the Wirral Council-owned sections of viaduct deck and slip roads) will be included in the current viaduct strengthening contract between HA and Costain. Agreement has also been secured with the HA that those areas of surfacing within the site boundary will now be maintained to a safe standard by Costain until completion of the viaduct contract. The surfacing replacement on the Council's sections of viaduct will also include all associated works, such as bridge deck waterproofing, expansion joint replacement, kerbs and hard verge replacement.

5.2 At the request of the Director of Technical Services, a fully costed proposal has now been received from Costain for the resurfacing of all the Docks Links Roads carriageway surfaces, together with the roundabout at Junction 1 of the M53, and part of its approaches on the A554, representing the remainder of the Council's network in need of resurfacing prior to 2017 included within the area defined in the Tri-Partite Agreement (see Appendix A). The quotation is based upon specifications provided by the Director of Technical Services and upon rates for work activities included in the Costain contract with the HA for the viaduct works. The work will include for hot-rolled asphalt surface course material, which presents a better prospect of long term durability than the thin-layer surfacing used previously in this area. The total cost of these works is £832,553. This cost has been checked by officers within Technical Services Department by comparison with rates included in the Council's current Highway Services Contract with Colas Ltd, and by comparison with rates received by the Council in competitive tender for similar works on recent highway reconstruction schemes. As a result of these comparisons, officers believe that the price presented by Costain offers good value for money to the Council in the current market.

5.3 Having Costain undertake these works, as opposed to exposing the works to competitive tender, presents a number of advantages for the Council, including:

- Significantly reduced procurement and administration costs
- Reduced cost of contract preliminaries (site establishment already in place)
- Likely reduced overall costs
- Utilizes high-performing contractor with established local supply chain and workforce
- No risk of conflict with another contractor's operations
- Concurrent working with resurfacing activities already planned under viaduct contract
- Earlier completion of works
- Reduced disruption to public
- Single point of contact during works
- Single contractor responsibility for defects correction
- Ability to guarantee compliance with Tri-partite Agreement obligations

5.4 For these reasons it is proposed that the Director of Technical Services be authorised to agree terms of a lump-sum contract under the NEC3 Option A form of contract or similar standard form of construction contract, with Costain Ltd, for the execution of resurfacing works on the Council's highway network, independent of the current viaduct strengthening contract between Costain and the HA.

5.5 During resurfacing activities, both on the viaduct and elsewhere on the Council's network, it is expected that road closures and associated traffic diversions, including during daylight hours, will be required in order to complete the works safely and expeditiously. At the time of writing this report, it is expected that the majority of the resurfacing works are likely to take place in Spring/Summer 2011 and details would be communicated to the public using the appropriate channels in advance.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The Council's contribution to the viaduct strengthening works is fixed and capped at a maximum of £2.88m by virtue of the Tri-Partite Agreement and the Full Approval funding award letter received from DfT. This includes any resurfacing and associated works carried out on the Council-owned sections of the viaduct as part of the contract between Costain and the HA.
- 6.2 The Council's share of the costs was agreed by Cabinet at its meeting of 22 May 2008 (Minute 26 refers). The Council has already contributed £1.9m of this commitment in payments to the HA. A further payment of £720,000 is due to be made in April 2011. The balance of up to £260,000 is payable in a final instalment in April 2012. The provision exists for these payments in the Council Capital Programme for 2011/12 and 2012/13.
- 6.3 The cost of the works by Costain Ltd to carry out the required resurfacing works on the remainder of the Council's highway network within the area excluded from major maintenance activities until 2017 under the Tri-Partite Agreement, is £832,553, including all necessary design activities. The provision exists to fund this work, by virtue of an allocation of £490,000 in the Local Transport Plan (LTP) Carriageway Structural Maintenance Settlement for 2010/11, and by the remainder of the funding requirements being met from an allocation which will be set aside from the 2011/12 LTP settlement.
- 6.4 The Council's staffing costs for the continued overseeing of the viaduct strengthening project will be met from the LTP allocation for Bridge Assessment, Strengthening and Structural Maintenance. Provision exists to cover the estimated ongoing £20,000 p.a. commitment.

## **7.0 STAFFING IMPLICATIONS**

- 7.1 Officers from Technical Services Department continue to represent the Council, as a key strategic stakeholder and partner in the Tri-Partite Agreement for the viaduct strengthening project at Project Board, Project Steering Group, Site Progress and Traffic Management Co-ordination meetings.
- 7.2 The resurfacing works on the viaduct will be monitored and inspected to ensure compliance with the necessary standards by the HA's Project Manager as part of their obligations under the Tri-Partite agreement. Any resurfacing works on the remainder of Council's network undertaken by Costain will be monitored and inspected by existing staff within Technical Services Department.
- 7.3 There are no further staffing implications arising from this report.

## **8.0 EQUAL OPPORTUNITIES/EQUALITY IMPACT ASSESSMENT**

- 8.1 There are no implications under this heading.

## **9.0 PLANNING IMPLICATIONS**

- 9.1 There are no implications under this heading.

## **10.0 COMMUNITY SAFETY IMPLICATIONS**

- 10.1 There are no implications under this heading.

## **11.0 HUMAN RIGHTS IMPLICATIONS**

11.1 There are no implications under this heading.

## **10.0 LOCAL AGENDA 21 IMPLICATIONS**

10.1 There are no implications under this heading.

## **12.0 SOCIAL INCLUSION IMPLICATIONS**

12.1 There are no implications under this heading.

## **13.0 ANTI-POVERTY IMPLICATIONS**

13.1 There are no implications under this heading.

## **14.0 ACCESS TO INFORMATION ACT**

14.1 Exempt information has been used in the preparation of this report.

## **15.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

15.1 The scheme includes works within Leasowe & Moreton East, Wallasey, and Bidston & St James Wards.

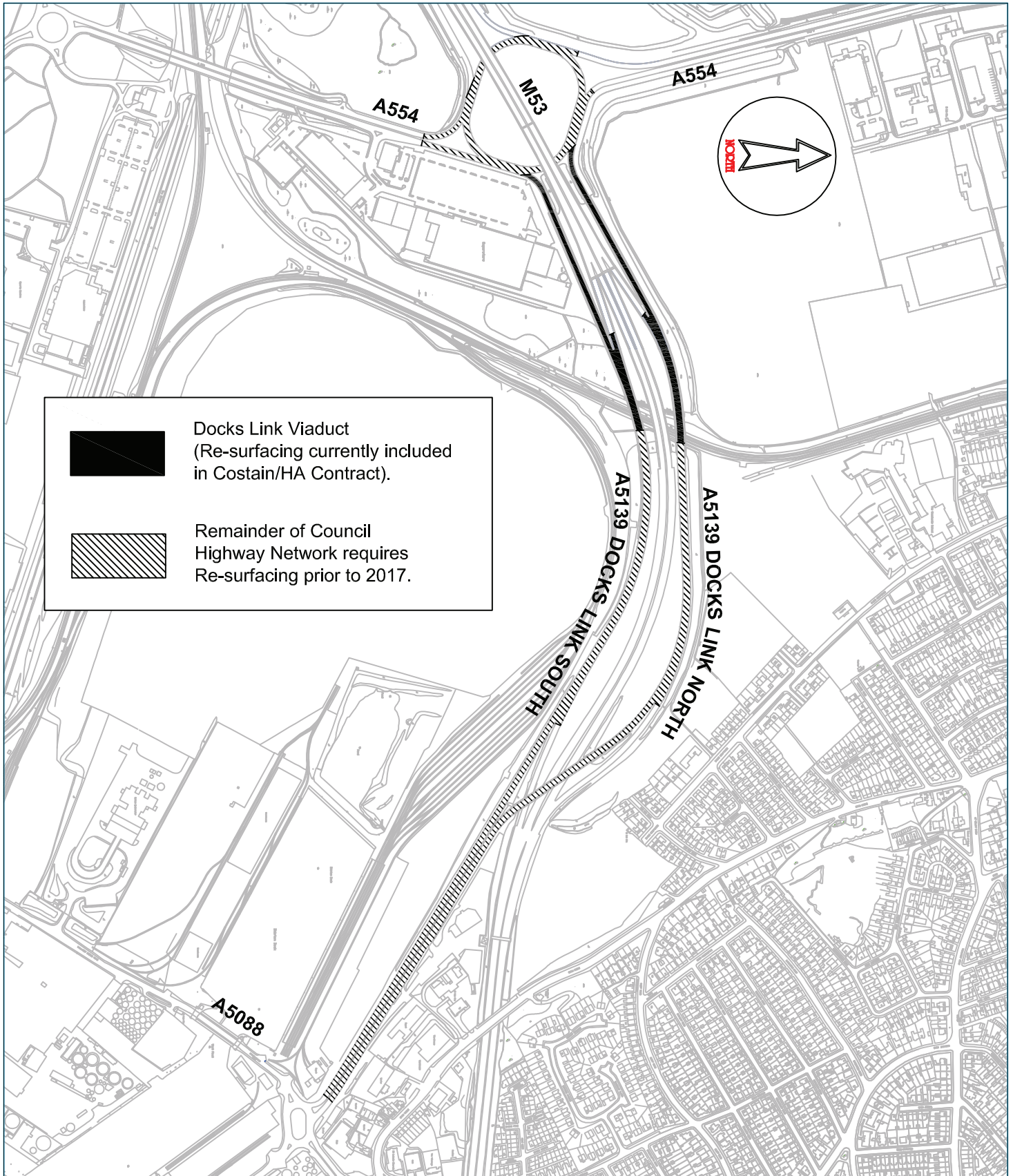
## **RECOMMENDATIONS**

Cabinet is requested to:

- (1) Note the current position regarding progress of the strengthening works at Bidston Moss Viaduct;
- (2) Approve the acceptance of a single tender from Costain Ltd in the sum of £832,553, for the construction of carriageway resurfacing works on the A5139 Docks Link Roads and A554 North Wallasey Approach and Bidston Link Roads, and report this to Council pursuant to Contract Procedure Rule 5.2.

DAVID GREEN, DIRECTOR  
TECHNICAL SERVICES

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**WIRRAL**

Technical Services Department  
**David Green**  
 Director

**CABINET 9 DECEMBER 2010  
 APPENDIX A  
 DOCKS LINK ROADS AND A554 RESURFACING**

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## WIRRAL COUNCIL

CABINET - 9 DECEMBER 2010

### REPORT OF THE DIRECTOR OF TECHNICAL SERVICES

#### ANNUAL ELECTRICITY AND GAS CONTRACT RENEWAL

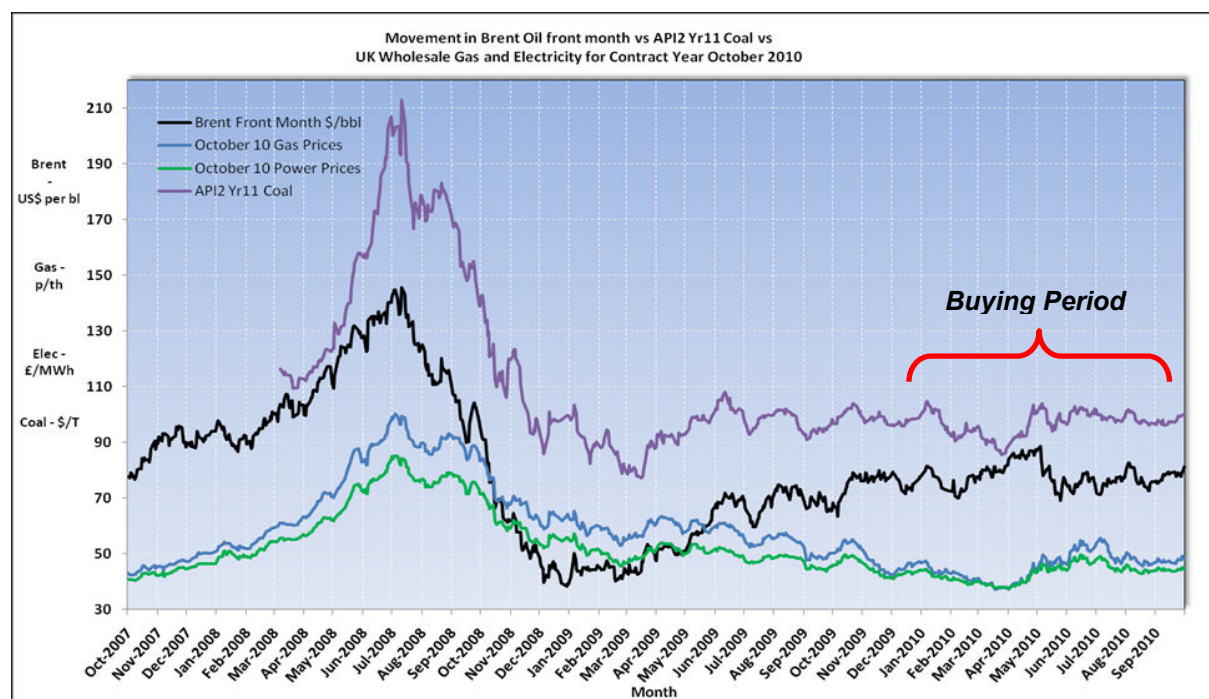
#### EXECUTIVE SUMMARY

This report details the Council's annual electricity and gas contract renewals, undertaken by Buying Solutions, following the end of the current contracts on 30 September 2010. The new contracts have increased the projected annual energy costs by £478,000 being a £298,000 increase to the General Fund services and £180,000 to Schools.

#### 1.0 BACKGROUND TO THE CURRENT CONTRACT RENEWALS

1.1 Having come through the coldest winter for 30 years, the UK gas supplies coped very well with the highest levels of demand recorded. It was a surprise to most people when rather than prices falling as they usually do when we move into the Summer, spot gas prices actually rose. This may have been due to the significant gas demand to refill depleted UK storage and to export to continental Europe via the Zeebrugge interconnector. With lower supplies than expected from Norway, there was competition for supplies for the UK's gas fired power stations. Even significant deliveries of liquefied natural gas to the UK terminals struggled to meet often record daily demand for gas for export as the UK became somewhat of a transit country for gas from all over the world. As summer 2011 prices still seem to be holding firm, this will set the base position for Winter 2011/12 prices.

1.2 The graph below shows the movement in wholesale prices of gas [blue] (p/therm) and electricity [green] (£/MWh) for the year commencing October 2010 against the price for Brent Crude Oil [black] (\$ per barrel).



- 1.3 Oil prices have increased from the low price of \$40 per barrel at the beginning of 2009 to about \$85 at present. The direction of prices from now on seems to depend on the recovery in demand rather than available supply. This has resulted in a small increase in energy prices since last years 30 to 40% reduction in prices which was attributed to the financial recession.

## **2.0 CONTRACT RENEWAL DETAILS**

- 2.1 The energy content of the four contracts detailed below is purchased on our behalf by Utility Traders at Buying Solutions (BS) part of the Office of Government Commerce over the preceding six months prior to renewal. The individual supplier then provides a dedicated customer service team to supply and administer a particular contract.

2.1.1 **Non-Half Hourly Electricity Contract (NHH):** This contract is administered by British Gas Business on behalf of BS, and is provided to sites with a maximum demand of less than 100kw of electricity in a half hourly period.

2.1.2 **Half Hourly Electricity Contract (HH):** This contract is administered by EDF Energy on behalf of BS, and is designed for sites requiring over 100kw of electricity in a half hourly period.

2.1.3 **Natural Gas Contract (All Sites):** This contract is administered by Corona Energy on behalf of BS, and supplies all sites with natural gas.

2.1.4 **Street Lighting Contract:** This contract is administered by EDF Energy on behalf of BS. It includes street lighting, associated highways lighting, traffic control systems and car parks.

2.2 The contracts currently operate for a period of twelve months from October to September each year when the prices are be reviewed by BS.

2.3 For the reasons detailed in section 1 above utility prices in general have seen a small increase over the last twelve months.

2.4 As there are individual tariff structures within the NHH, HH and Gas contracts based on operational profiles, transportation and metering costs, each site is individually priced based on the various detailed information. Therefore the average price increase for each contract has been calculated. The Non-Half Hourly contract has seen an average increase of 8.6%, the Half Hourly contract has seen an average increase of 8%, giving a combined average electricity increase of 8.5%. The average price of gas compared to last years prices has risen by 6%. As the Street Lighting contract is now reviewed in October each year its performance can be included within this report, the price has increased by 3.8%.

## **3.0 CARBON REDUCTION COMMITMENT ENERGY EFFICIENCY SCHEME**

3.1 As part of the Comprehensive Spending Review on 20 October 2010 the Government announced a number of changes that will have an impact on the Council.

- 3.2 The CRC Energy Efficiency scheme will be simplified and the first purchase of allowances will now take place in June/July 2012 with the revenues from the sales being used to support the public finances, spend for the environment and the renewable agenda, rather than recycling back to participants as previously outlined. However, the scheme remains one focused on carbon reduction.
- 3.3 With the recycling payment no longer being returned to participants, costs will be considerably higher per annum and continue to increase year on year. Currently the price is set at £12 per tonne but now this **will rise to £16 per tonne by 2014.**
- 3.4 The scheme continues as a 'carbon reduction scheme' with customers having the responsibility to continue to reduce their carbon emissions. The outcome being a managed and maintained reduction ensuring carbon percentages are at a level which ensures the financial impact of allowances can be managed cost effectively.
- 3.5 The changes in summary are:
- **There will be no sale of allowances in April 2011.**
  - The first sale will be 2012 for emissions from April 2010 to March 2011.
  - The league table will be published as planned – October 2011 but will only have reputational impact.
  - Changes to the scheme will be made to remove the recycling payment mechanism and consultation with DECC and the Environment Agency continue.
  - There will be no recycling payments, revenue from the scheme will be retained by the Government in support of public finances.
  - It is still a legal obligation for participants and information disclosers to register (the Council registered for the scheme on 23 July 2010).
- 3.6 Organisations that meet the criteria for participation must include emissions from all energy consumed from non-transport use i.e. Electricity, Gas and Heating Oil from buildings. Councils must also include all State-funded Schools (inc. Academies) and PFI Schools where the Local Authority is responsible for the energy supply contract.
- 3.7 Based on current information the cost of carbon allowances are expected to rise from £12 per tonne in 2012 to £14 per tonne by 2014 this would mean that (based on our most recent emissions data) the first purchase of allowances due in June\July 2012 would cost £532,000, increasing to £576,000 in 2013 and £620,000 by 2014. With no recycling payment returned to the Council.
- 3.8 Automatic Meter Reading (AMR) project update: We are working with Stark Software International Limited to collect the large amount of technical data for all of our electricity, gas and water meters this will allow the replacement of obsolete meters in preparation for the installation of over 1,200 data loggers.

#### **4.0 EQUAL OPPORTUNITIES IMPLICATIONS**

4.1 There are no equal opportunities implications in this report.

## **5.0 PLANNING AND ANTI-POVERTY IMPLICATIONS**

5.1 There are no planning and anti-poverty implications in this report.

## **6.0 COMMUNITY SAFETY IMPLICATIONS**

6.1 There are no community safety implications in this report.

## **7.0 HUMAN RIGHTS IMPLICATIONS**

7.1 There are no local human rights implications arising from this report.

## **8.0 ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

8.1 Emissions from the purchase of renewable sources of energy, as previously explained the Council can't officially claim the reduction because the Electricity Generators are required to claim these emissions as part of their licence agreements. As a result the amount of CO<sub>2</sub> indirectly attributable to the purchase of certified green electricity will reduce emissions by approximately 18,000t. CO<sub>2</sub> per year.

## **9.0 ACCESS TO INFORMATION ACT**

9.1 There are no implications under this heading.

## **10.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

10.1 There are local Member implications for all Wards arising from this report.

## **11.0 FINANCIAL AND STAFFING IMPLICATIONS**

11.1 The table includes the contracts for all electricity and gas accounts which are renewable each October and how the new contracts compare to the budget. The increases are based on the current budgets for all premises under Council ownership at 1 October 2010 and take into account projected energy consumption during 2010/11. The figures for schools have been included for information.

<b>Service / Contract</b>	<b>Revision Oct 2010</b>	<b>Budget 2010/11</b>	<b>Increase 2010/11</b>	<b>Increase 2011/12</b>
		£	£	£
<b>GENERAL FUND</b>				
Electricity	+8.5%	1,854,300	+78,800	+157,600
S/ Lighting	+3.8%	1,193,000	+22,600	+45,300
Gas	+6.0%	1,579,200	+47,400	+94,800
		4,626,500	+148,800	297,700
<b>SCHOOLS</b>				
Electricity	+8.5%	1,372,900	+59,300	+116,700
Gas	+6.0%	1,047,400	+31,400	+62,800

		2,420,300	+89,700	+179,500
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- 11.2 The introduction of the Councils Carbon Budget will assist efforts to reduce costs further. All sites are encouraged to contact the Sustainability Unit who will assist managers and staff to reduce consumption which includes good housekeeping which we are rolling out as part of our energy awareness raising programme.
- 11.3 Last year Buying Solutions identified the savings associated with the Council's use of their Managed Service as being £270,870. Currently Buying Solutions are waiting for the revised savings model to be issued by the Government although the figure is expected to be similar as it is based upon fixed variables, premiums and avoided costs, and not actual purchase performance.
- 11.4 Current financial projections for the CRC Scheme are £532,000 in 2012/13, £576,000 in 2013/14 and £620,000 in 2014/15.

## **12.0 RECOMMENDATIONS**

- 12.1 That it be noted that the offer made by Buying Solutions was competitively tendered and was accepted using Delegated Authority.
- 12.2 That the impact of the revised energy contracts be reflected in the 2010/11 General Fund budgets and the net increase of £149,000 be met from the General Fund balances.
- 12.3 That the impact of the revised energy contracts be reflected in the 2011/12 General Fund budgets and the net increase of £298,000 be added to the Budget Projections for 2011/15.
- 12.4 That the impact of the revised energy contracts upon the Schools Budgets be noted and the report be referred to the Schools Forum.
- 12.5 That it be recognised that no provision has been made for the 2011 contract renewals at this stage. Given the unpredictability of the markets further reports will be presented to Cabinet as information is received.
- 12.6 That the revisions to the Carbon Reduction Scheme be noted and that £532,000 be included in the Budget Projections for 2012/13.

DAVID GREEN  
DIRECTOR OF TECHNICAL SERVICES

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