



# Cabinet

<b>Date:</b>	<b>Thursday, 19 July 2012</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.

## FINANCE

### 3. BUDGET PROJECTIONS 2013/15 (Pages 1 - 8)

### 4. WELFARE REFORM: LOCALISED COUNCIL TAX REDUCTION SCHEME (Pages 9 - 24)

### 5. WELFARE REFORM: LOCAL WELFARE ASSISTANCE SCHEME (Pages 25 - 30)

## IMPROVEMENT AND GOVERNANCE

### 6. RECOMMENDATIONS FROM THE IMPROVEMENT BOARD (Pages 31 - 32)

The Key Communication Messages from the meeting of the Improvement Board held on 22 June 2012 are attached.

#### **CHILDREN'S SERVICES AND LIFELONG LEARNING**

- 7. ALLOCATION OF CHILDCARE FUNDING FOR 2 YEAR OLDS (Pages 33 - 42)**
- 8. CONTRACT EXTENSION FOR ADULT TRANSPORT PROVISION (Pages 43 - 52)**

#### **ADULT SOCIAL CARE AND PUBLIC HEALTH**

- 9. PUBLIC HEALTH TRANSITION (Pages 53 - 74)**
- 10. ADULT SOCIAL SERVICES - PEER CHALLENGE PROCESS (Pages 75 - 80)**

#### **HOUSING AND COMMUNITY SAFETY**

- 11. SUPPORTING PEOPLE CONTRACTS FOR PROVIDERS OF SERVICES TO PEOPLE AT RISK OF OR EXPERIENCING SOCIAL EXCLUSION (Pages 81 - 86)**

#### **REGENERATION AND PLANNING STRATEGY AND STREETSCENE TRANSPORT SERVICES**

- 12. TREE PLANTING AND GREEN INFRASTRUCTURE SCHEME - GREEN STREETS WIRRAL WATERS 2012-2015 (Pages 87 - 96)**

#### **STREETSCENE AND TRANSPORT SERVICES AND ENVIRONMENT**

- 13. ENVIRONMENTAL STREETSCENE SERVICES CONTRACT 'BREAK CLAUSE' REVIEW (Pages 97 - 106)**

#### **REGENERATION AND PLANNING STRATEGY**

- 14. INVESTMENT STRATEGY UPDATE (Pages 107 - 118)**
- 15. LOCAL DEVELOPMENT FRAMEWORK FOR WIRRAL - CORE STRATEGY - PROPOSED SUBMISSION DRAFT (Pages 119 - 144)**
- 16. TACKLING WORKLESSNESS (Pages 145 - 150)**
- 17. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)**

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

**18. 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.

**19. EXEMPT APPENDIX - AGENDA ITEM 11 (Pages 151 - 152)**

- Exempt Appendix to agenda item 11  
**Supporting People Contracts for Providers of Services to People at Risk of or Experiencing Social Exclusion**

This appendix is exempt by virtue of paragraph 3 as it contains commercially sensitive information.

**20. EXEMPT APPENDICES - AGENDA ITEM 13 (Pages 153 - 182)**

- Exempt Appendices 1 – 7 to agenda item 13  
**Environmental Streetscene Services Contract 'Break Clause' Review**

These appendices are exempt by virtue of paragraph 3 as they contain commercially sensitive information.

**21. EXEMPT APPENDIX - AGENDA ITEM 16 (Pages 183 - 184)**

- Exempt Appendix to agenda item 16  
**Tackling Worklessness**

This appendix is exempt by virtue of paragraph 3 as it contains commercially sensitive information.

**HOUSING AND COMMUNITY SAFETY**

**22. BRAY STREET, BIRKENHEAD - COMPULSORY PURCHASE ORDER (Pages 185 - 222)**

This report is exempt by virtue of paragraph 3 as it contains commercially sensitive information.

**23. SUPPORTING PEOPLE CONTRACTS FOR PROVIDERS OF SERVICES TO PEOPLE WITH LEARNING DISABILITIES (Pages 223 - 230)**

This report is exempt by virtue of paragraph 3 as it contains commercially sensitive information.

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

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

## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT</b>	<b>BUDGET PROJECTIONS 2013/15</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>HEAD OF FINANCIAL SERVICES / DEPUTY S151 OFFICER</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 The Medium Term Financial Strategy presents an overview of the financial projections for 2012/15. Following agreement of the Budget for 2012/13 by Council on 1 March 2012 this report presents an update on the projections for 2013/15.

#### 2.0 BACKGROUND AND KEY ISSUES

##### 2.1 Assumptions Underpinning the Projections

- a) Inflation - Provision is included for price inflation of 2% per annum with income to increase by 3% per annum. Pay awards are assumed to increase by 1% per annum as requested by the Government.
- b) Capital Financing - Cabinet on 8 December 2011 agreed the capital programme. Subsequent changes by Council in setting the 2012/13 Budget resulted in a programme with an increase in revenue cost of £1.7 million per year.
- c) Pension Fund - the increase arising from the actuarial valuation in March 2010 will increase the contribution by £0.3 million in 2013/14. The revaluation scheduled for March 2013 will be implemented from 2014.
- d) Waste Disposal - Landfill Tax is increasing by £8 per ton per annum, an increase of 50% between 2010/11 and 2014/15. The levy is assumed to increase by £1.5 million per annum.
- e) Merseytravel – The levy is assumed to increase by £1 million per annum.
- f) Schools - it is assumed that the Schools Budget will vary in line with the Dedicated Schools Grant.
- g) Efficiency Investment - in order to continue to deliver efficiencies in future years it will be necessary to continue to invest and therefore £2 million per annum has been provided.

- h) Other Unavoidable Growth - a number of items of less than £0.2 million will arise which usually total about £1 million per annum.

## **2.2 Grant Negotiations**

- 2.2.1 The Spending Review 2011/15 incorporated four year projections for local government expenditure. However the Local Government Finance Settlement only provided figures for 2011/13. Figures for 2013/15 will be subject to the outcome of the Local Government Resource Review (LGRR). Clearly this will have a major impact on the budget projections for 2013/15 included in the Appendix.
- 2.2.2 The Local Government Finance Bill continues its passage to enactment. The two major elements are the Localisation of Business Rates and Council Tax Benefits. For Business Rates the Government has issued a further series of policy papers. The final proposals are anticipated later this year for implementation as part of the Finance Settlement 2013/14. The Government also continues to issue updates on the Council Tax Benefit scheme.
- 2.2.3 The Council Tax Freeze Grant agreed for 2011/12 was equivalent to a 2.5% Council Tax rise and amounted to £2.5 million for Wirral. This Grant is to continue for the period of the Spending Review. A further Freeze Grant was allocated for 2012/13 only.
- 2.2.4 As part of the LGRR the Government proposes to reduce specific grants from 2013. Whilst the detail is awaited the pro-rata impact for Wirral could be a loss of £7 million in 2013/14 and £23 million in 2014/15. The details of which specific grants will be reduced will be announced in spring 2012.
- 2.2.5 During the course of this budgeting period the results of the Census 2011 will become available and will be incorporated into the grant distribution formulae. The Office for National Statistics (ONS) has released the mid-2010 estimated populations and the reduction for Wirral since the Census 2001 is greater than for any other metropolitan or unitary authority. If confirmed in the Census 2011 the reduction in grant receivable could be significant. The ONS has confirmed that the analysis of the Census data should be completed for incorporation into the Finance Settlement for 2013/14.
- 2.2.6 The Local Support Services Grant and New Homes Bonus Grant are both general grants and assumed to continue at the existing levels in future years.

## **2.3 Other Legislative Issues**

- 2.3.1 Pensions - The Independent Public Service Pensions Commission issued final recommendations on 10 March 2011. The Pensions Committee is being updated on progress with implementation now expected in 2014.

- 2.3.2 Welfare Reform Act - Implementation of Universal Credit and a Local Council Tax Benefit System is due to commence in 2013. The Local Council Tax Benefit System will result in a reduction of grant of 10% (£3.2 million). Councils can choose to support this loss of grant from efficiencies elsewhere or can reduce the level of support offered to individuals. However, the Government has specified that local schemes should protect certain groups including eligible pensioners and other 'vulnerable groups' although the latter are currently not defined. A report on the Localised Support Scheme is on this agenda.
- 2.3.3 Localism Act 2011 - Will require a local referendum if a proposed Council Tax increase is considered to be excessive.
- 2.3.4 Council Tax Revaluation - This has been deferred until after 2015.
- 2.3.5 Public Health - Responsibility for Public Health transfers to Local Government in 2013. The budget to be transferred will not be issued until December 2012. However, The Department of Health issued an adjusted current spend figure of £22.3 million on 7 February 2012 with funding by a specific 'ring-fenced' grant. The responsibility for, and the funding of, public health for children under the age of 5 transfers to the Council from 2015/16.

## 2.4 Balances

- 2.4.1 The Budget 2012/13 included balances of £18.4 million at 1 April 2012. Of this sum £9.6 million was used to fund £8.9 million of 'one-off' options and £0.7 million of permanent changes. This resulted in projected balances of £8.8 million at 31 March 2013.
- 2.4.2 The decisions of Cabinet since the setting of the Budget 2012/13 have resulted in an increase in the projected balances from £9.8 million to £14 million:-

Details	£m	£m
Projected balances at 31 March 2013		8.8
Cabinet decisions (additional spend):-		
29 March Pacific Road Theatre	0.6	
12 April Streetscene Contract Review	<u>0.1</u>	0.7-
Cabinet decisions (increase in balances):-		
21 June Financial Out-turn 2011/12		
Net increase in balances		1.9
Council Tax Reimbursement met in 2011/12	<u>4.0</u>	<u>5.9+</u>
Projected balances at 31 March 2013		<u>14.0</u>

- 2.4.3 Cabinet on 21 June 2012 considered a number of reports relating to the financial performance in 2011/12 including the Out-turn and Insurance Fund and Treasury Management Annual Reports. This reported a net increase in balances of £1.9 million.

- 2.4.4. Cabinet on 21 June 2012 was also informed that the Council Tax Reimbursement of £4 million which was included within the 2012/13 Budget was required to be funded in 2011/12. Consequently the funding provided in 2012/13 has been returned to balances.
- 2.4.5 The Departments of Adult Social Services, Children and Young People and Law, HR and Asset Management are presently reporting budget pressures. At this stage of the financial year Cabinet has not agreed to any variations to reflect those pressures.
- 2.4.6. The minimum recommended balances are £6 million.

## 2.5. **Savings**

- 2.5.1 Cabinet on 21 February 2012 agreed an amended Strategic Change Programme. Substantial work is required to increase the size and scope of this Programme in order to deliver the savings required for 2013/15.

Strategic Change Programme		2013/14	2014/15
		£m	£m
Finance	Income (included in the Projections)		
Finance	Welfare Reform	1,000	1,000
Finance	Libraries / OSS Merger	200	200
Finance	ICT Review	210	90
*LHRAM	Transforming Business Support	1,000	1,000
*LHRAM	Terms and Conditions	<u>1,000</u>	<u>1,000</u>
		3,410	3,290

\* Both are lead by the Department of Law, HR and Asset Management but the savings will be allocated across all departments.

## 3.0 **RELEVANT RISKS**

- 3.1 For 2013/15 the Government proposes significant changes to the grant distribution system which could cause major changes to these projections.
- 3.2 The Government has indicated that the austerity measures outlined in the Spending Review for 2011/15 are now likely to continue beyond 2015.

## 4.0 **OTHER OPTIONS CONSIDERED**

- 4.1 All of these projections represent my assumptions of the most likely outcome from a wide range of available options.

## 5.0 **CONSULTATION**

- 5.1 The Government is consulting on a number of issues which will impact on the budget projections. Whilst working with national and regional groups on responses I respond to all consultation exercises to try to ensure the best outcome for Wirral.



5.2 A report on the Corporate and Business Planning – Consultation Process was presented to Cabinet on 10 July 2012 when the process to inform future budget setting was agreed.

## 6.0 **IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 There are no implications arising directly from this report.

## 7.0 **RESOURCE IMPLICATIONS – FINANCIAL**

7.1 The assumptions outlined above are reflected in the budget projections in the Appendix.

## 8.0 **LEGAL IMPLICATIONS**

8.1 There are no implications arising directly from this report.

## 9.0 **EQUALITIES IMPLICATIONS**

9.1 There are no implications arising directly from this report.

## 10.0 **CARBON REDUCTION IMPLICATIONS**

10.1 There are no implications arising directly from this report.

## 11.0 **PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are no implications arising directly from this report.

## 12.0 **RECOMMENDATION**

12.1 That the Budget Projections 2013/15 be regularly reviewed.

## 13.0 **REASON FOR RECOMMENDATION**

13.1 Regular reporting of the projected financial prospects is a requirement of good corporate and financial planning.

FNCE/140/12

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## **APPENDIX**

Wirral Council - Budget Projections 2013/15

## REFERENCE MATERIAL

Budget - HM Treasury - March 2011.  
Independent Public Service Pensions Commission Report - March 2011.  
Spending Review - HM Treasury - October 2010.  
Medium Term Financial Strategy 2012/15 - October 2011.  
Local Government Finance Settlement 2012/13 - DCLG - January 2012.  
Council Budget 2012/13 - March 2012.  
Autumn Statement – HM Treasury – November 2011.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet Budget Projections	Update reports are presented to each meeting.

## WIRRAL COUNCIL

## BUDGET PROJECTIONS 2013/15

	<b>2013/14</b>	<b>2014/15</b>
	<b>£m</b>	<b>£m</b>
Base Budget	288.2	282.7
Increased Requirements		
Pay Inflation	1.7	1.7
Price Inflation	4.2	4.2
Capital Financing	1.7	1.7
Pension Fund	0.3	2.5
Waste Disposal	1.5	1.5
Merseytravel	1.0	1.0
Efficiency Investment	2.0	2.0
Other Unavoidable Growth	1.0	1.0
Specific Grant Reduction	7.0	16.0
Council Tax Benefit	3.2	-
Pacific Road Theatre	0.6	-
Streetscene Contract	<u>0.1</u>	<u>-</u>
	<b>312.5</b>	<b>314.3</b>
Reduced Requirements		
Strategic Change Programme savings	-3.4	-3.3
Income Inflation	<u>-1.0</u>	<u>-1.0</u>
	<b>308.1</b>	<b>310.0</b>
Resources		
Formula Grant	144.7	134.5
Council Tax Freeze Grant (from 2011/12)	3.3	3.3
Local Services Support Grant	0.8	0.8
New Homes Bonus	1.0	1.0
Council Tax	<u>132.9</u>	<u>132.9</u>
Forecast Resources	<b>282.7</b>	<b>272.5</b>
Shortfall	25.4	37.5

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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT</b>	<b>WELFARE REFORM: LOCALISED COUNCIL TAX REDUCTION SCHEME</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>HEAD OF FINANCIAL SERVICES / DEPUTY S151 OFFICER</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The Authority is required to establish a replacement, Localised Support Scheme, for Council Tax Benefit (CTB) from April 2013. This is a key strand of the Government's wider Welfare Reform review.
- 1.2 The Scheme brings with it reduced funding from Central Government, with the need for Wirral to consider how to address this reduction assessed at £3.15 million based on current, and increasing, CTB spend.
- 1.3 This report sets out the background and the options available and requests direction from Members on the type of Localised Scheme to be focused on for detailed consideration and adoption.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 In the Spending Review of 2010 the Government announced the Council Tax Benefit Scheme would be abolished and a framework for localised support schemes for Council Tax would be introduced and operative from 2013/14. At the same time it was announced that Government support would be reduced by 10% of current year spend. For Wirral the spend is currently £31.5 million which with increasing take-up of 2% per annum.
- 2.2 The Local Government Finance Bill and the Welfare Reform Act 2012 impose a duty on billing authorities to design and introduce a Localised Council Tax Reduction Scheme (CTR) by 31 January 2013 for operation for 2013/14.
- 2.3 At the time of drafting this report the Department for Communities and Local Government (DCLG) have simultaneously issued the Draft Finance Bill and a "Statement of Intent", and the web-links are shown in Section 9 of this report. The Statement of Intent is the Government's view as to how they expect the system to be operated when the Bill becomes an Act along with attendant Regulations and is issued to give administering authorities an outline view of government thinking as to how the legislation will work.

- 2.4 The Government see this change giving local authorities a significant degree of control over how a 10% reduction in expenditure is achieved or mitigated. This allows authorities to balance local priorities and financial circumstances whilst fully acknowledging this reduction is a contribution to the overall programme to address the deficit. This change is seen to give authorities a financial stake in the provision of support for Council Tax and a greater stake in the economic future of their local area. It supports the Government agenda to enable stronger balanced economic growth across the country and is expected to allow Authorities to create incentives to get people back into work, supported by the work incentives that are planned within the Government Universal Credit. This is seen as reinforcing local control over Council Tax with decisions taken locally and is consistent with greater local financial accountability and decision making.
- 2.5 The central premise for Welfare Reform including the Council Tax Support Scheme is that more people will move into work and therefore earnings would offset any loss in income from benefits. However, if that does not occur there is a loss in household income and consequently a loss of income in the local economy.

#### **Localised CTR Scheme Scope – Pensioners and Vulnerable Groups**

- 2.6 The Government has prescribed that local schemes must offer protection to certain groups, which will include eligible pensioners, based on the same factors that have determined their eligibility and award under the current Council Tax Benefit (CTB) scheme. Unlike most other groups, pensioners cannot be expected to seek out paid employment to increase their income and are proposed as a vulnerable group and protected from any reduction in Council Tax support so low income pensioners should not lose or gain relative to the current system. Pensioners currently account for 41.5% of the Council caseload. As current chargepayers meet the age criteria this would increase the numbers being protected.
- 2.7 The Government have also indicated that a local scheme should also look to support to the same level as now other “vulnerable groups”, these are currently not defined, as well as ensuring that the adopted scheme supports the Welfare Reform programme aim of supporting people back into work.
- 2.8 Potential vulnerable groups include a household where there may be a resident child or an adult that is disabled, or there is a carer resident, or someone is resident who receives informal care. The DWP Family Resources 2009/10 Survey estimated that nationally 48% of Council Tax Benefit recipients may have at least one adult or child that is disabled; 18% may have at least one adult with caring responsibilities and 17% may have at least one adult requiring informal care. This indicates the possible scale of protection that could be considered for a group defined as vulnerable and the impact that would have on the remainder of the recipients who would face a bigger potential reduction in their support and increase in Council Tax to be paid.

- 2.9 Authorities, will have to balance the support the Localised Scheme could give to such vulnerable groups needing to acknowledge the defined and established responsibilities in relation to, and awareness of, 'vulnerable groups' through its responsibilities under:
- The Child Poverty Act 2010, which imposes a duty on authorities to have regard and address child poverty to reduce and mitigate the effects of child poverty in their area.
  - The Disabled Persons (Services, Consultation and Representation) Act 1986 and the Chronically Sick and Disabled Act 1970 which includes a range of duties relating to the welfare needs of disabled people.
  - The Housing Act 1996 which gives authorities a duty to prevent homelessness with special regard to vulnerable groups.
- 2.10 A potential advantage of maintaining some of the features of the existing CTB scheme in the design of a Localised Scheme is that the current scheme does make provision for many vulnerable groups, through such as income disregards, and could thereby address to some degree equality issues and show how protection is offered to vulnerable groups.
- 2.11 The Act is expected to introduce powers to impose a national default support scheme, which will take effect if a billing authority has not made a Localised Scheme by 31 January 2013. The imposition of such a scheme, yet to be defined, will remove the need for an authority to undertake public consultation. Any associated penalties of relying on such a scheme are at this stage not known but any cost of the default scheme over the likely grant will be a direct cost to the Council.

### **Funding the Localised CTR Scheme**

- 2.12 The Government will allocate funding separately to billing and precepting authorities, in proportion to their Council Tax charge, to support the provision of Localised Schemes. For Wirral this will see the Council receiving 85% of available funding with the Police and Fire and Rescue Services the balance. The grant will not be ring-fenced to use for the Localised Scheme so authorities can decide its scale as long as any statutory levels are met.
- 2.13 The grant will be a reduction of 10% on previous CTB grant funding. This will be based upon the May 2012 caseload and reassessed at November 2012 so will take no account of any ongoing increase in caseload. For Wirral this is currently showing a 2% per annum increase and each 1% increase in benefits paid will cost the Council £300,000. Those authorities with a high proportion of people on benefits face higher risks than those serving less deprived areas, as do those with an ageing population, both at a time of unprecedented resource reduction for all authorities.

- 2.14 CTB currently reduces the net Council Tax payable whereas the 25% single person discount reduces the gross sum payable and is taken into account in the annual Council Tax Base calculation used to calculate the level of Council Tax. The new Localised Scheme will be viewed as reducing the gross sum due (the same as the single person discount calculation) and thus reduce the Council Tax Base. The total budget requirement to be raised from Council Tax is reduced by the Government grant which is set at 90% in respect of the previous CTB awards.
- 2.15 As the Council Tax base and amount to be raised reduce the charge per Council Tax Band should be equivalent to 2012/13 bar for the 10% reduction. The Government view is that authorities are then free to make up any or all of the 10% reduction and if the full sum is found (£3.15 million for Wirral) the Council Tax level would stay the same.

### Timescales

- 2.16 The implementation timescales are short, particularly given the need to consult with a variety of stakeholders including precepting authorities:

Spring 2012	<b>National</b> - Primary legislation started its passage through Parliament - Government preparing and publishing draft secondary legislation and Statement of Intent as guidance.
June 2012	<b>Local</b> - Council Tax Benefits system profiling tools made available to support LA scheme design and identify options and costs. Agree likely limitations of new scheme along with implementation timetable.
Summer 2012	<b>National</b> – Primary legislation passed. Secondary legislation prepared. <b>Local</b> - authorities start to design and consult on local schemes – a 12 week consultancy period is advised. Engagement with software companies on scheme outlines. Assess costs and practicalities inc staffing
Autumn / Winter 2012	<b>National</b> – Secondary legislation passed and grant allocations published. <b>Local</b> – submit tax base calculation on revised process to DCLG in October. Authorities establish local schemes - IT systems, application regimes, administration and begin notifying claimants of changes and use information to set Budgets. Scrutiny takes place and Cabinet approval by December
January 2013 onwards	<b>Local</b> - schemes formally approved by Council and in place by 31 January or Government default scheme imposed. Allowing readiness for February budget setting and March 2013 billing for 2013/14 Council Tax.

- 2.17 The timescale for Wirral is below:
- Public consultation on draft proposals to take place August to October 2012
  - Scrutiny of draft proposals as amended by consultation in November 2012
  - Cabinet to recommend the proposed 2013/14 scheme in December 2012
  - Full Council to formally approve the 2013/14 scheme in January 2013



## **Wirral's Localised CTR Scheme**

- 2.18 Wirral's Revenues, Benefits and Customer Services Division established an officer 'Council Tax Support Scheme Project' group which is expanding to ensure that the design and development process is duly informed by those with the appropriate skills. The group reports to a Project Board led by the Head of Service who acts as Project Sponsor. The high level implications, issues and risks associated with the development of a replacement scheme for Council Tax Benefit have been identified, as well as the requirements of designing, introducing, implementing and administering such a scheme.
- 2.19 The scheme adopted will need to be clear and representative of a scheme that will work for Wirral, at least as an initial 'year one' scheme, given the limited timescale. It will need to provide for those the authority wishes to support and ensure compliance with legislation and Government directives. Direction is now sought from Cabinet in terms of outline Policy and Members are being made aware of the consequential financial implications, the resources required to ensure timely delivery of a Wirral scheme (which meets the needs and priorities of the authority and local chargepayers) while ensuring compliance with Government directives.
- 2.20 The modelling and profiling tool produced by our current Revenues & Benefits software suppliers, CAPITA, is allowing the modelling of various scenarios within the Council Tax Benefits caseload and the impact on Council Tax.
- 2.21 There were 42,713 Council Tax Benefit claimants at 31 March 2012, 17,736 are identified as being protected from the proposed changes by the Government (pensioners). This leaves 24,977 to face any Council agreed reduction in overall benefits funding. This number will further reduce if the Council decide to protect other 'vulnerable people'. Therefore the Working Age classification of CTB claimants will bear the level of reduction the Council decides to pass on to claimants whilst the expectation is that any scheme should also incentivise employment. It is projected that a minimum 17.5% reduction to all working age recipients would be required to make up the forecasted £3.15 million shortfall. This would see a working age claimant, who in previous years had the household Council Tax met in full by Council Tax Benefit, face an annual Council Tax bill of approximately £170 for a Band A property in 2013/14. Those who were in receipt of less than 100% CTB would find their support also reduced and their Council Tax bill increased by 17.5%.
- 2.22 If the changes proposed result in people of working age on benefits becoming responsible for paying a proportion of their local taxation liability then 24,977 accounts could be brought into the collection process. This number may vary once the Council adopts its qualifying criteria for "vulnerable groups" although the % payable by those 'not vulnerable' would rise.

## **Localised CTR Scheme Administration**

- 2.23 The Scheme adopted will affect nearly 43,000 households and will be more if changes to Council Tax discounts and exemptions are made. For working age applicants there will be a new application process. Significant publicity will be needed for the transition as many claimants and chargepayers are likely to have degrees of difficulty with the changes.

- 2.24 Whilst the likely proposal is a limited change in year one there will be significant change in developing new IT and administrative systems for applications, appeals and backdating. The extent to which individual Councils devise bespoke schemes will impact significantly on costs so by liaising authorities are better placed to deliver cost effective solutions via standard IT software.

### **Impacts of billing and collecting increased Council Tax bills**

- 2.25 Unless the full shortfall is met from alternative sources so the Localised CTR Scheme is fully funded, Council Tax will become collected from some of our more vulnerable residents. Consequently there will be implications for collection rates with a likely reduction of 0.4% to 1% when compared to previous years.
- 2.26 A higher percentage of non-payment is inevitable, as previous 100% recipients are presented with a Council Tax bill. The level of indebtedness of these debts is projected to be in the region of 35%, around £1 million of the £3.15 million, and recovery costs will increase given the difficulties of small debt collection plus there will be additional costs for payment processing of the relatively small sums being paid. The Universal Credit Regulations are awaited to see if it will allow for deductions for non-payment of Council Tax. The current amount of deduction would take approximately 56 weeks to clear the Council Tax debt plus costs due thus leaving an increasing year-on-year level of debt.

### **Year One Localised CTR Scheme Options**

- 2.27 To have an operable, fair, comprehensively thought out and tested scheme in place by the 31 January 2013, including 8 to 12 weeks of consultation with interested groups including preceptors is unrealistic. Even if it was achievable the major suppliers of Council Tax Benefit and Council Tax systems have said they will not have a revised system in place for 1 April 2013 and that they only envisage having revised software available during 2013 for 1 April 2014.
- 2.28 Locally Councils seem likely to largely replicate the current Council Tax Benefit system with a locally defined (and limited) amount of adjustment for 2013/14 year. The Government default scheme is expected to replicate the current scheme and acknowledges it does not make the savings required.
- 2.29 The Council could consider identifying some, or all of the £3.15 million reduction from alternative sources for year one only.
- 2.30 Whilst in year one the Scheme is likely to be a close approximation of the current CTB scheme but some design options in respect of benefits support changes for future years have already been suggested for consideration:-
- Restriction of Council Tax Support to a particular Council Tax Band e.g. no or restricted benefit for a designated set of higher value bands.
  - Top slicing of all awards to reflect the loss in grant (ie 17.5 % or 20%).
  - Reduced capital limits e.g. reduce the upper limit of £16,000 for eligibility.
  - Increased non dependent deductions (non dependants are other adults in a household over 18 years old for whom deduction is made from CTB entitlement).
  - Counting currently ignored income in a calculation (eg Child Benefit).
  - Abolition or restriction of backdating currently set at six months maximum.

## Council Tax Income Options

- 2.31 A potential area for increased income is within the proposed Council Tax regulations going through Parliament as this may give Councils power over Council Tax exemptions and discounts on empty homes and empty properties under renovation. The Government has ruled out allowing any local change to the 25% single person discount. Initial data profiling has assessed that the changes could raise up to £3.6 million. However, this takes no account of the impact on the person's ability to pay the increase and is shown for illustrative purposes.

Council Tax Exemptions and Discounts Change Exemption/Discount Class	Properties Number	Maximum £000
Class A – Vacant dwellings where major repairs or structural alterations are required underway or recently completed (up to 12 months)	655	310
Class C – Vacant dwelling i.e. empty and substantially unfurnished (up to 6 months)	16,306	2,558
Class L – Unoccupied dwelling which has been taken into possession by a mortgage lender.	281	92
Second Homes Discounts	1,514	236
Long term empty property discount – 50% premium charge after two years	5,164	400

- 2.32 The proposals would mean effectively no difference between an empty or occupied property but an occupied property could still claim the 25% single person discount and gain support from the new version of Council Tax Benefit if on a low income. This would see the current exempt periods (nil charge) of six to twelve months removed. Any proportional change to these rates would reduce the maximum sum raised.
- 2.33 There is also an opportunity to re-consider if the Wirral Local Discount given to all households who residents are over 70 (referred to as the Pensioner discount) is still appropriate. This discount is non-means tested and gives a 7.8% reduction to all age qualifying households and currently costs £1.2 million in respect of 13,774 claimants.

### Options for Consideration

- 2.34 The options could be used, in any proportion or in full, to mitigate the £3.15 million reduction in funding and allow at least, for year one, no change to current recipients. The initial costings indicate that there some discretion in relation to the changes proposed in Council Tax Regulations from 1 April 2013 and could mitigate anticipated reduced collection rates if the Localised Scheme impacted upon Working Age Recipients.
- 2.35 This report seeks Cabinet direction as to which alternatives to consider in more detail to enable the cost and impacts to be fully considered and to support a more focused consultation on Council supported options. In summary the outline options for consideration are:-

- 1 A Localised Scheme that delivers £3.15 million savings but this is unlikely to have any reliable supplier software in time for January 2013.

- 2 A Localised Scheme mirroring the current CTB scheme with the current software, delivering the full level of awards and meeting the £3.15 million reduction in funding. This being delivered through increased Council Tax charges with the Council having to identify and agree which changes to Council Tax discounts and exemptions it will make, or utilise funds from other sources.
- 3 As an alternative to Option 2 a Scheme mirroring the current CTB scheme with the current software, delivering a level of savings which is less than the £3.15 million. The savings coming from Council Tax charges for which the Council will have to identify and agree or from other sources.
- 4 The Council chooses not to agree a Localised Scheme or the Government invokes its default scheme for year one. If this is the preferred option and is acknowledged then no public consultation process has to take place.

2.36 The option approved will be for one year and as the software becomes available it will be for the Council to again review what options it may wish, to increase or decrease for future years. These will be expected to be consulted upon and be in place by 31 January of the year prior to the Scheme being used.

2.37 This scheme will be dependent on an IT system and currently three national software houses provide nearly all authorities with their Revenues and Benefits systems. Software companies may not be able, other than at significant ongoing cost encompass some of the ideas which may arise at local consultation stage. It will be paramount to balance the legitimate outcomes of consultation, with minimising costs and reducing complexity.

### **3.0 RELEVANT RISKS**

3.1 If the Council does not adopt a Localised Scheme the Government will impose its default scheme, which is yet to be specified, but is likely to result in a significant financial impact on the authority.

3.2 Whichever Scheme is agreed there are the risks around the impact that any Localised Scheme has upon the claimants and the Council.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 It will be a statutory requirement to have a Localised Support Scheme For Council Tax in place by 31 January 2013 or the Government default scheme will be used as the Localised Scheme for 2013/14.

### **5.0 CONSULTATION**

5.1 Once an outline option is agreed a formal public consultation must be undertaken by the Council. This will have to allow sufficient time to consider representations and agree a Local Scheme to be adopted by 31 January 2013.

5.2. Consultation with the precepting authorities (Police and Fire and Rescue) has recently begun through a cross Merseyside group with the same authorities liaising on scheme development to compare likely proposals.

## **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There will be ongoing implications for all these groups as the impact of the changes are identified and roll out.

## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 The adoption of a Localised Scheme includes the need to change financial modelling to support the Scheme. The Government support will reduce by around £3.15 million in 2013/14 and the Council has to determine whether to meet this loss from alternative savings or to fund all, or part of this loss, from a reduction in payments to current CTB recipients. Depending upon the decision taken there could be the increased challenge of collecting the sums due.
- 7.2 The on-going staffing and IT requirements to administer the new scheme will depend upon the scheme agreed and will not be available for the first year of this new scheme. In terms of implementation the Government has provided £84,000 with an indication that it can be used to support the development of new schemes.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 The Council needs to ensure that it meets its statutory duty by consulting adequately, producing a viable and workable scheme that meets the framework set by Government, or it then adopts or has imposed the Government default scheme. Any proposed scheme needs to be submitted to public scrutiny and legal advice and support will be needed within the overall implementation timescale.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 The potential impact on equality of the proposals have been nationally considered reviewed and the DCLG hyperlink is:-  
<http://www.communities.gov.uk/publications/localgovernment/lgfblocalcounciltaxeia>

The Council's current benefit related equality impact assessments are at:-;  
<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

The introduction of a Localised Scheme will have equality implications which will be more clearly identified as the Scheme is developed. A Phase 1 Equality Impact Assessment is appended.

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are none arising directly from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are none arising directly from this report.

## 12.0 RECOMMENDATIONS

- 12.1 Cabinet are asked to outline the preferred way forward for the development of the Localised CTR Scheme for 2013/14 particularly which options are prepared to be used to meet the minimum £3.15 million reduction in Government grant funding.
- 12.2 That Officers continue to analyse and monitor the impact of this reform on the residents of Wirral and the Council and present a further detailed report, for consideration, of the composition of a final scheme for 2013/14 taking account of direction from Cabinet.
- 12.3 That the timescale as outlined in this report is approved.

## 13.0 REASONS FOR RECOMMENDATIONS

- 13.1 To allow Cabinet to give direction as to the options to be considered in the development of initial proposals for a Localised Council Tax Support Scheme for 2013/14.
- 13.2. To allow Cabinet to recognise the timescales that are required for statutory purposes and the level of administrative and project work that will be undertaken in the remaining time to ensure compliance with the new legislation.

FNCE/138/12

**REPORT AUTHOR:** Malcolm Flanagan  
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## REFERENCE MATERIAL

National statistics - [statistics.dwp.gov.uk](http://statistics.dwp.gov.uk)  
Department for Work and Pensions / Department for Communities and Local Government -  
guidance and legislation

## SUBJECT HISTORY

Council Meeting	Date
Cabinet	22 September 2011
Council Excellence Overview & Scrutiny Committee	16 March 2011
Council Excellence Overview & Scrutiny Committee	17 November 2011
Council Excellence Overview & Scrutiny Committee	26 March 2012

## Equality Impact Assessment Toolkit (May 12)

### Section 1:

**EIA lead Officers:** Neil Powell Revenues Manager  
Nicky Dixon Benefits Manager

**Email address:** [neilpowell@wirral.gov.uk](mailto:neilpowell@wirral.gov.uk)  
[nickydixon@wirral.gov.uk](mailto:nickydixon@wirral.gov.uk)

**Head of Service:** Malcolm Flanagan

**Acting Chief Officer:** Tom Sault

**Department:** Finance

**Date:** July 5 2012

### Section 2: What Council proposal is being assessed?

The statutory requirement to replace the Council Tax Benefit Scheme with a Localised Council Tax Reduction Scheme which has to be established from April 2013.

### Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

**Yes** This is a Phase one EIA and will be submitted to both Cabinet and Council Excellence Overview and Scrutiny Committee as the replacement scheme is developed, consulted upon and agreed.

**Please add hyperlink to where your EIA is/will be published on the Council's website (see your Departmental Equality Group Chair for appropriate hyperlink)**

Current Benefits EIA is <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

CLG national EIA is <http://www.communities.gov.uk/publications/localgovernment/lgfblocalcounciltaxeia>

**Section 3: Does the proposal have the potential to affect...(please tick relevant boxes)**

/ **Services**

/ **The workforce**

/ **Communities**

/ **Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)  
Voluntary & Community Sector

If you have ticked one or more of above, please go to section 4.

**None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4: Does the proposal have the potential to maintain or enhance the way the Council ..... (please tick relevant boxes)**

Eliminates unlawful discrimination, harassment and victimisation

Advances equality of opportunity

Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

/ **No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)



**Section 5:**

**Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?**

**You may also want to consider socio-economic status of individuals.**

**Please list in the table below and include actions required to mitigate any potential negative impact.**

<b>Which group(s) of people could be affected</b>	<b>Potential positive or negative impact</b>	<b>Action required to mitigate any potential negative impact</b>	<b>Lead person</b>	<b>Timescale</b>	<b>Resource implications</b>
All non pensioner groups as current Council Tax Benefit recipients	Negative if level of award is reduced and no additional income is replacing it.	Vulnerable group status to be considered  Level of additional support Council may award  Nationally this policy is not expected to disproportionately affect any particular gender or ethnicity	Malcolm Flanagan	January 2013 And annually thereafter	Departmental staff in assessing options, staff involved in consultation work which will be subject to regular review
Low income pensioners	Neutral as legislation will continue to protect them at current levels of support				

**Section 5a: Where and how will the above actions be monitored?**

Via reports to Council, Cabinet and Overview & Scrutiny and via public consultation

**Section 5b: If you think there is no negative impact, what is your reasoning behind this?**

The scale will be dependant on any decision taken by Council

**Section 6: What research / data / information have you used in support of this process?**

Department for Communities and Local Government (DCLG), national statistics and local statistics from current Council Revenues and Benefits systems

**Section 7: Are you intending to carry out any consultation with regard to this Council proposal?**

Yes

**If 'yes' please continue to section 8.**

**If 'no' please state your reason(s) why:**

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 8: How will consultation take place and by when?**

It is a statutory requirement to consult on the content of the scheme (unless it is the government default scheme) and part of that consultation will look at the equality impact of any proposal

**Before you complete your consultation, please email your preliminary EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.**

**Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.**

**Section 9: Have you remembered to:**

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)**
- b) **Include any potential positive impacts as well as negative impacts? (section 5)**
- c) **Send this EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer for re-publishing?**

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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT</b>	<b>WELFARE REFORM: LOCAL WELFARE ASSISTANCE SCHEME</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>HEAD OF FINANCIAL SERVICES / DEPUTY S151 OFFICER</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The reform of the nationally administered Social Fund Scheme will see the introduction of a new, localised scheme of welfare assistance, to be administered by Local Authorities from April 2013. This report seeks Cabinet agreement to the approach being adopted and a further report on the options for a Wirral based scheme will be presented to a future Cabinet.
- 1.2 The changes to the wider Welfare Reform Programme have a significant impact directly on Local Authority administration and as with much of the Reform programme, it will be the same households and individuals that are affected by each reform strand.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The existing Social Fund was established under the Social Security Act 1986 and is administered by Jobcentre plus (JCP) on behalf of the Department for Work and Pensions (DWP). It provides interest-free loans, grants and payments through both a regulated scheme and a cash-limited discretionary scheme.
- 2.2 As a part of the Welfare Reform changes the two elements of the national Social Fund Scheme which provide emergency financial assistance will be abolished from April 2013. Community Care Grants and Crisis Loans will be replaced by localised welfare 'assistance' or 'support' schemes, designed and delivered by Local Authorities.

##### **Community Care Grants**

- 2.3 Community Care Grants are non-repayable grants awarded for a range of expenses including household equipment. They are primarily intended to support vulnerable people who wish to return to, or to remain in the community or to ease exceptional pressure on families thus supporting people with independent living and complement, but not replace, other specialist care support provided by local authorities. This may include a deposit or rent in advance, removal costs, essential furniture and clothing. Eligibility is conditional on receipt or imminent receipt of an income-related benefit. There is no current requirement for the grant to be repaid.

- 2.4 The Government believes it to be a passive scheme which expects nothing of those awarded a grant – including any expectation that a grant will support financial independence or a return to employment, and does not verify need. A more responsive and less rigidly applied system will help focus resources on real need.

### **Crisis Loans**

- 2.5 Crisis Loans are interest-free loans available to anyone regardless of whether they receive benefit, who cannot meet their immediate short-term needs in an emergency, or as a result of a disaster. Repayments are made directly from benefit where possible, although separate arrangements can be made for people not in receipt of benefits. Crisis Loans currently fall into three broad categories: general living expenses, items required as a result of a disaster and alignment payments. The later help meet an urgent need pending an initial payment of benefit or wages being put in place. The majority of Crisis Loans are awarded to single people in receipt of Jobseekers Allowance below the age of 35. Demand for these loans has risen rapidly in recent years and the Government considers that if this is not stemmed there will be a detrimental effect on their future availability over the period of the current Spending Review.
- 2.6 Those accessing both Community Care Grants and Crisis Loans generally include -
- Offenders leaving custody
  - Young people leaving care
  - Adult social care service users, and families known to children's services
  - People in temporary housing
- 2.7 From April 2013 the Department for Work and Pensions via JCP will continue to administer Crisis Loan Alignment Payments and other Crisis Loans paid due to linkages with other forms of benefit, for example Tax Credit delays. This will be via a new national scheme of Short Term Advances. Budgeting Loans will continue until Universal Credit (UC) is fully rolled out. As people migrate to UC they will have access to a new system of Budgeting Advances that will replace Budgeting Loans.

### **Current Service**

- 2.8 The most recent Audit Commission review found the current service provision had little accountability or governance, particularly for Crisis Loans which are claimed through a network of contact/call centres. This gives an indication of the challenge local authorities are being given to both take on and administer successfully this scheme in such a short timescale. There is also a corresponding appeals system. It has also been recognised that the administration of the scheme was not to the highest standard and suggests that, in localising the scheme, local authorities do not simply replicate the current system.
- 2.9 Community Care Grants and Crisis Loans are similar in cost to administer per application, but the value of an average Community Care Grant award is around five times that of a Crisis Loan. Community Care Grants are the most time consuming of the discretionary elements of the Social Fund to deliver. This is in part because a remotely administered discretionary scheme means uncertainty of outcome for applicants and challenges for decision makers around the supply of corroborating evidence. The Government also recognises that they generate a relatively high level of first and second tier reviews, which adds to complexity of the scheme.

## Developing a local scheme

- 2.10 It is significant to note that there are actually no new statutory duties on Local Authorities to develop and administer such a scheme although the grant will still be paid to the authority. Notwithstanding this, there are risks associated with making no or limited provision for emergency support to groups such as those described as being vulnerable people. This in turn could increase pressures on Children's Services and Supporting People budgets.
- 2.11 It is expected that Wirral will use this new power to establish a local welfare assistance scheme which is able to adequately support those deemed to be most at risk and/or in need. Given its long standing and dedicated resource in Housing and Council Tax Benefit and the less prescriptive Discretionary Housing Payments the administration and delivery of this new area will be undertaken by the Finance Department. However development and design of the system will be progressed through a dedicated project group. This will comprise of a cross section of officers, reporting to the recently formed 'Corporate Welfare Reform Working Group', which has representatives from all key authority service areas that can contribute to the rational development of this Local Welfare Assistance Scheme.
- 2.12 The net effect of the change will see the current £178 million per annum national fund distributed to Local Authorities on a non-ring fenced basis although in reality authorities will only receive a proportion of the current spend. Whilst Wirral's 'grant' is not known at this stage the spend for Wirral in the last two years is shown below;

2010/11	Crisis Loan Items	Crisis Loan Living Expenses	<i>Crisis Loan Alignments (stays DWP)</i>	Community Care Grants	<i>Budgeting Loans (stays DWP)</i>
Applications	4,620	13,450	9,640	4,280	12,980
Expenditure	£830,000	£592,900	£568,800	£942,300	£3,606,300
Awards	3,170	10,450	8,820	2,280	9,550

2011/12 Apr – Sept (six months)	Crisis Loan Items	Crisis Loan Living Expenses	<i>Crisis Loan Alignments (stays DWP)</i>	Community Care Grants	<i>Budgeting Loans (stays DWP)</i>
Applications	750	5,600	4,430	2,100	5,800
Expenditure	£59,100	£237,100	£245,400	£473,300	£1,625,700
Awards	380	4,320	4,070	1,090	4,330

- 2.13 Broadly the design options generally under discussion for Wirral include a mixture of support that is delivered through the mediums of cash, vouchers, services and goods. There will then be eligibility criteria, alignment with corporate priorities. The administration of the scheme will set out details of evidential requirements, publicity, access to officers handling the scheme and engagement with support workers.
- 2.14 As the implementation timescale is extremely tight and resources to satisfactorily examine all potential and possible options are highly limited, for 'year one' it is likely as with Council Tax Reduction Schemes that authorities may recommend adoption of a scheme which to a large degree mirrors those in currently in existence and then look to develop it coherently for year two and onwards.

- 2.15 A key judgement and policy decision from the outset will need to be to what level a scheme is adopted and whether or not to offer/award 'repayable' loans. The implications of administering a scheme which brings with it the administration of a testing recovery process which is known to be highly resource intensive, expensive and most likely with a lower recovery rate than we would normally achieve must be properly evaluated.
- 2.16 It will be extremely important to evaluate and understand all other means of available assistance to ensure the most appropriate and prudent management of available funds. It will also be paramount that an understanding of where there is true hardship, risk and vulnerability if a local scheme is to be properly effective. Often the criticism of the existing national scheme has been that these tests have increasingly not been duly considered or met.
- 2.17 Unlike the Council Tax Reduction Scheme there is no specific timetable, bar the need to have this scheme agreed and in place for implementation locally by March 2013. Notwithstanding this, given the requirements for consultation and approval, I propose to align the timescale of this scheme as closely as possible with that of the local Council Tax Reduction Scheme as detailed below:
- Consultation on draft schemes to take place from August to October 2012.
  - Scrutiny consideration of draft scheme proposals in November 2012.
  - Cabinet to recommend the proposed 2013/14 scheme in December 2012.
  - Full Council to formally approve the 2013/14 scheme in January 2013 for ongoing implementation.

### **3.0 RELEVANT RISKS**

- 3.1 I am not in a position to conclusively report on all identified or relevant risks associated with the design, implementation and delivery of a localised support scheme for Wirral and these will be detailed in the subsequent report.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 No other options have been considered although the authority is entitled to decide not to have such a scheme but this is not felt to be appropriate or sustainable.

### **5.0 CONSULTATION**

- 5.1 Consultation has not been undertaken at this stage, however it will be necessary to appropriately involve and consult with key stakeholders, agencies and organisations as a part of the design and development work that is now underway.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There is an imminent need for the authority to engage with appropriate representative bodies albeit through a wider representative forum, as part of the design and development work that is underway.



## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 In agreeing the ultimate implementation of a localised support scheme for Wirral the resource implications will be detailed. It is anticipated that any scheme will have significant implications for staff, assets IT and finances.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 None at this stage, however legal implications will be cited in subsequent reports.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 A specific Equality Impact Assessment (EIA) is required and will be undertaken as part of Wirral's scheme development and design.

The completed a national EIA's for Welfare Reform can be assessed through the following link: - <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-act-2012/impact-assessments-and-equality/>

The department current benefit related equality impact assessments are shown at; <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are none arising out of this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are none arising out of this report.

## **12.0 RECOMMENDATIONS**

- 12.1 Cabinet supports the way forward for the Local Welfare Assistance Scheme for 2013/14 and that officers continue to analyze and monitor the impact of this reform on the authority and its citizens and present a further detailed report for consideration of the composition of a final scheme for 2013/14.

- 12.2 The timescale as set out in this report is approved.

## **13.0 REASONS FOR RECOMMENDATIONS**

- 13.1 To allow Cabinet to give direction as to options to be considered in the development of initial proposals for a Local Welfare Assistance Scheme for 2013/14 as the replacement to the Community Care Grants and Crisis Loans that are being abolished from 31 March 2013. To also allow Cabinet to recognise the timescales required for statutory purposes and the level of administrative work that will be undertaken in the period to ensure compliance with the new legislation.

FNCE/139/12

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**SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet	22 September 2011
Council Excellence Overview & Scrutiny	26 March 2012
Council Excellence Overview & Scrutiny	17 November 2011
Council Excellence Overview & Scrutiny	16 March 2011

## Key Messages

The Board welcomed the members of the public who had attended and the interest they showed in its work. There were three questions, which were discussed, and these centred on Wirral Council's overall vision for the future; Freedom of Information and transparency in the authority and accountability. The Board agreed that Wirral Council would commission an independent review of information sharing within the authority and with the public to ensure best practice.

The Board considered the new Elected Member Development Programme, which is being developed and commended the work of the working group behind it. The Programme is ambitious and will provide an accredited training and development programme to cover the needs of all Members in Wirral to ensure they have the current skills and knowledge needed to oversee an effective local authority. The Board will look at this again in more detail in September together with the parallel programme for officer training and development.

There was a detailed discussion of the progress being made in Adults Services following a presentation by its Director. This reported on the recent external Peer Challenge of Safeguarding which the Department had commissioned and which had found significant progress made although there is much more still to do. An Action Plan is being developed to address the issues raised and the Department is also preparing for a further Peer Review of all its services next week. The outcomes of the Peer Review and Peer Challenge will be reported openly once the Action Plan is complete and the Board will receive a further report in September.

The Board considered the draft Improvement Plan that the authority's Management Team had developed and commended the work done thus far. The key priority identified was to engage with all Members and to take on board their comments and views. There will be a session for all Members on 11<sup>th</sup> July to discuss the Improvement Plan and the role of the Improvement Board in supporting it.

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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT:</b>	<b>ALLOCATION OF CHILDCARE FUNDING FOR TWO YEAR OLDS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>ACTING DIRECTOR OF CHILDREN'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR TONY SMITH</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 As part of the government's Child Poverty Agenda, funding is currently provided through the Early Intervention Grant to enable access to 10 hours childcare per week for 38 weeks of the year for the most disadvantaged two year olds in the Borough. The following proposal is set against a background of central government planning to extend the statutory childcare provision for disadvantaged 2 year olds.
- 1.2 In September 2013 there will be a statutory entitlement for all disadvantaged 2-year olds to receive 15 hours of funded childcare using the existing criteria, which was put in place in 2009 when the Two Year old Pilot scheme was first established nationally.
- 1.3 Children are eligible for the funding if they meet the free school dinner criteria with Looked After Two year olds, two years with a disability and those receiving support from the Family Nurse Partnership (parents under 19 year old). This criteria was put in place as part of the original pilot scheme and has not changed.
- 1.4 With the increase of funding in 2012-2013 of £569000 there are two options :
- Option A:** fund some increase in the number of children and increase the number of hours from 10 to 15; or
- Option B:** fund a larger number of children receiving the entitlement of 10 hours (and then increase their hours in the subsequent year inline with government policy)
- 1.5 This report proposes option A.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Two Year old funding in Wirral was introduced in 2009/10 and 142 funded 10 hour nursery places were offered to disadvantaged 2 year olds living across Wirral at a cost of £249,062 (ring-fenced budget set by DfE).

- 2.2 In 2010/11, 152 funded places were offered to disadvantaged 2 year olds at a cost of £336,706 (ring-fenced budget set by DfE).
- 2.3 In 2011/12, funded places were offered to 335 disadvantaged 2 year olds at a cost of £400,000 (funded through the Early Intervention grant).
- 2.4 It is planned to offer between 500 – 600 places during 2012/13 at a cost of £969,000 (funded through the Early Intervention grant).
- 2.5 Referrals for this funding are made through Children’s Centre staff with a significant number of referrals also being made by Health Visitors and Community Nurses. There is an expectation that Local Authorities ensure that appropriate additional family support is provided to the families of funded 2 year olds. This is provided through Wirral's Children's Centres.
- 2.6 Allocation of this funding is made using nationally determined criteria around benefit dependency. In line with other Local Authorities, Wirral also developed additional criteria which took into consideration family dynamic and child development. The children who receive funding are often living with additional risk factors including domestic violence, substance misuse, disabled parents and long term unemployment and anti-social behaviour.
- 2.7 From September 2013, there is a national expectation that all Local Authorities will be able to provide 15 hours free nursery entitlement to all disadvantaged 2 year olds using the criteria already in place for free school meals. On this basis, Wirral will have approximately 850 eligible children.
- 2.8 There is a staged increase in the funding and expectation to provide 15 hours free nursery entitlement to all disadvantaged 2 year olds to take account of the need to build capacity – and quality – within local provision in order to meet that need. Work is currently underway to increase capacity amongst registered providers of the free entitlement. This will improve the number of high quality places available to this group of children.
- 2.9 The rationale for Option A (fund some increase in the number of children and increase the number of hours from 10 to 15) from September 2012 takes into account the local capacity proposal to increase the entitlement for eligible children and it prepare Wirral to be able to implement the increase in numbers of eligible children as required in September 2013.
- 2.10 Moving to a position of being able to increase the offer to 15 hours puts 2 year old funding on an equal footing with the current entitlement for 3 and 4 year olds so there is continuity for children and families as the children move from 2 year old to 3 year old funded entitlement.

### **3.0 RELEVANT RISKS**

- 3.1 None identified.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 No options other than Option A or Option B were appropriate.

## **5.0 CONSULTATION**

- 5.1 Consultation on the implementation of Option A with health partners and early years' providers is planned for the summer term 2012 if this report is agreed by Cabinet. Informal discussions and feedback demonstrates support for the recommendation in the interests of the child and family.

## **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 The private, voluntary and independent sectors contribute significantly to the number of places available for eligible 2 year olds and will be included in the consultation.

## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 Funding for this service has increased over the last three years since it began as a pilot project in 2009:

2009/10	£249,062 (ring-fenced budget set by DfE)
2010/11	£336,706 (ring-fenced budget set by DfE)
2011/12	£400,000 (funded through EIG)
2012/13	£969,000 (funded through EIG)

- 7.2 The DfE have announced their intention to transfer the funding for the 2 year enhancement into DSG from 2013-14.
- 7.3 No additional resource implications have been identified as systems are already in place to manage the allocation of places, provide a brokerage and on-going support service to parents and manage funding mechanisms.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 The current statutory duty on the Local Authority is to provide 10 hours of funded childcare to the most disadvantaged two year olds. This will change to 15 hours per child in September 2013.
- 8.2 Wirral is one of 27 Local Authorities who are currently trialling Payment by Results in Children's Centres. One of the key outcomes of Payment by Results is that the Local Authority will be measured on, and possibly rewarded for, in 2012/13, the level and outcome of two year old funded places. This measure will include an impact measurement on the achievements and/or behaviour of funded two year olds and their families.
- 8.3 Central government regards 2 year old funding as a cornerstone of their Child Poverty Strategy and it is one of the indicators identified in the City Region Child Poverty Strategy.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
- (a) An Equality Impact Assessment has been completed and is attached.

## 10.0 CARBON REDUCTION IMPLICATIONS

10.1 None identified.

## 11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None identified.

## 12.0 RECOMMENDATION

12.1 To fund some increase in the number of children and to increase the entitlement to a funded place for eligible 2 year olds from the current 10 hours per week to 15 hours per week from September 2012.

## 13.0 REASON/S FOR RECOMMENDATION/S

13.1 The Childcare Sufficiency Audit 2012 shows that Wirral has sufficient childcare to meet current demand; however, work is needed with the sector to ensure that there is sufficiency within specific age groups and geographical areas. This approach will place Wirral in a strong position to respond to the national requirement to extend the offer to 15 hours per week from September 2013 by adopting a measured and incremental approach to the number of two year olds supported and focusing on ensuring that places and quality of provision is in place.

13.2 This approach gives parity with the current entitlement for 3 and 4 year olds, thereby minimising confusion for providers and parents.

**REPORT AUTHOR:** **Mark Parkinson**  
Acting Deputy Director  
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## APPENDICES

## REFERENCE MATERIAL

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date



## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Kath Lloyd

**Email address:** kathlloyd@wirral.gov.uk

**Head of Section:** Catherine Kerr

**Chief Officer:** Mark Parkinson

**Department:** Learning and Achievement

**Date:** 14.06.2012

### Section 2: What Council proposal is being assessed?

**To increase the number of funded hours of childcare for the most disadvantaged two year olds in the Borough**

**Section 2b:** Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes

18<sup>th</sup> June 2012

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<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/children-young-people>

**Section 3: Does the proposal have the potential to affect.....** (please tick relevant boxes)

- ✓  **Services**
- ✓  **The workforce**
- ✓  **Communities**
- ✓  **Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

**None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4: Does the proposal have the potential to maintain or enhance the way the Council .....** (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

**No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:**

**Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?**

**You may also want to consider socio-economic status of individuals.**

**Please list in the table below and include actions required to mitigate any potential negative impact.**

<b>Which group(s) of people could be affected</b>	<b>Potential positive or negative impact</b>	<b>Action required to mitigate any potential negative impact</b>	<b>Lead person</b>	<b>Timescale</b>	<b>Resource implications</b>
<b>Families with children under the age of two on a low income</b>	Positive impact, enabling and empowering work readiness for adults and high quality learning and play opportunities for very young children	None required			

**Section 5a:** Where and how will the above actions be monitored?

**Section 5b:** If you think there is no negative impact, what is your reasoning behind this?

Funded childcare places will be available to families on low incomes, enabling them to access work and training opportunities and thereby enhancing their and their children's life chances. Young disadvantaged children will have access to high quality play and learning opportunities

**Section 6:** What research / data / information have you used in support of this process?

Graham Allen Report

Frank Field Report

Liverpool City Region Child Poverty Needs Assessment

Wirral Child Poverty Needs Assessment

Department of Education

**Section 7:** Are you intending to carry out any consultation with regard to this Council proposal?

Yes

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

## **Section 8: How will consultation take place and by when?**

Small scale consultation with health colleagues and early years private and voluntary providers during summer 2012.

Before you complete your consultation, please email your preliminary EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.

## **Section 9: Have you remembered to:**

- a) **Include any potential positive impacts as well as negative impacts? (section 5)**
- b) **Send this EIA to your Head of Service for approval.**
- c) **Review section 5 once consultation has taken place and sent your completed EIA to your Head of Service for approval then to your Chief Officer for re-publishing?**

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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT:</b>	<b>CONTRACT EXTENSION FOR ADULT TRANSPORT PROVISION</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>ACTING DIRECTOR OF CHILDREN'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR TONY SMITH</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 Wirral Council transports vulnerable adults to day centres, placements and educational provision. The transportation is provided through an in-house fleet, contracted services from external transport providers and additional commissioned transport as required. This report seeks approval to extend twelve adult transport contracts for a further year from 1 August 2012 to 31 July 2013 at an estimated cost of £563,113.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Wirral Council transports vulnerable adults to day centres, placements and educational provision. The transportation is provided through an in-house fleet and contracted services from external transport providers. For transport of adults procurement of external contracts is in two phases, one set which also includes routes for home to school transport for children, and a second set of twelve routes for adult transport only. In addition to contracts further transport for adults is commissioned as required for very vulnerable adults, for journeys where no existing routes are available or where there is no capacity on the in house or contracted vehicles.
- 2.2 In June 2011 Cabinet agreed the award of the twelve transport contracts to external transport companies for the transport of vulnerable adults. The agreed contracts were set up for a one year period from 1 August 2011 to 31 July 2012 with an optional one year extension. The one year initial time period was to allow an assessment of the operation of the contracts and to allow consideration of any changes in demand for the service that may arise as a result of policy changes, personalisation and self directed support.
- 2.3 The operation of the contracts has been monitored with only minimal issues reported which have all been dealt with appropriately. The number of adults requiring transport has been monitored. At the start of 2012-13 there has been a slight reduction in the number of required journeys compared to 2011-12. This has resulted in the reduction of some of the additional commissioned journeys however both the in-house fleet and the contracted transport remain at capacity. As a result there remains a requirement for the twelve contracts.

2.2 The extension for a further year will align the termination of these contracts to that of the larger transport contract which transports children thus giving an option to consolidate routes and maximise efficiency in any procurement of new contracts from July 2013.

### **3.0 RELEVANT RISKS**

3.1 Failure to continue the contracts will result in insufficient transport availability for the transport of vulnerable adults.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options considered. The current in-house fleet and other contracted transport is operating to maximum capacity.

### **5.0 CONSULTATION**

5.1 No consultation was carried out.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 There are no implications arising from this report.

### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 In July 2011 Cabinet provided an additional £340,000 to assist with re-provision to cover the cost of the new contracts. This extension for £563,113 is funded from this budget, giving a total adult contract budget of £832,400.

7.2 In 2011-12 the adult transport budget overspent by approximately £500,000. This is mainly related to operation of the in house fleet, additional transport costs and a proportion of a re-engineering saving of £43,000.

7.3 The Transport budget of £8.4 million remains under intense scrutiny with a range of activity underway to reduce spend and overall there is an anticipated shortfall of £1.2 million. The budgets are not sufficient to cover costs in a number of areas. The only way to significantly impact on this structural deficit is to review transport policy and remove discretionary transport provision for children and young people and reduce the numbers of adults eligible for free transport.

### **8.0 LEGAL IMPLICATIONS**

8.1 If agreed the Council will be renewing a contract for purchase of transport.

### **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) An existing equality impact assessment: Passenger Transport can be found via the following link and at the end of this report:



## 10.0 CARBON REDUCTION IMPLICATIONS

10.1 The Council's commitment to Carbon reduction is emphasised in the tender specification and the environmental policies of organisations submitting tenders were requested during the process.

## 11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no implications arising from this report.

## 12.0 RECOMMENDATION/S

12.1 That Cabinet approve the extension of the current contract for a further year from 1 August 2012 to 31 July 2013.

## 13.0 REASON/S FOR RECOMMENDATION/S

13.1 To ensure the provision of transport for vulnerable adults.

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## APPENDICES

## REFERENCE MATERIAL

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	23 <sup>rd</sup> June 2011

## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Nancy Clarkson

**Email address:** [nancyclarkson@wirral.gov.uk](mailto:nancyclarkson@wirral.gov.uk)

**Head of Section:** Nancy Clarkson

**Chief Officer:** David Armstrong

**Department:** Children and Young People's Department

**Date:** 21 June 2012

### Section 2: What Council proposal is being assessed?

Contract extension for adult transport provision

### Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

**Yes / No**      **If 'yes' please state which meeting and what date**

Cabinet 19<sup>th</sup> July 2012

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/children-young-people>

**Section 3:** Does the proposal have the potential to affect..... (please tick relevant boxes)

- ✓ **Services**
- The workforce**
- ✓ **Communities**
- ✓ **Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

Community transport providers

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4:** Does the proposal have the potential to maintain or enhance the way the Council ..... (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- ✓ Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:**

Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
Disability	<ol style="list-style-type: none"> <li>1. The service provides transport services for people with specific needs which may be otherwise unavailable to them.</li> <li>2. The service employs licensed, trained contractors to ensure appropriate provision.</li> <li>3. Attendant services are provided to support people using transport services.</li> <li>4. The service supports social inclusion for disabled people.</li> </ol>				
Age	<ol style="list-style-type: none"> <li>1. The service provides transport services for people with specific needs which may be otherwise unavailable to them.</li> </ol>				

	<p>3. The service employs licensed, trained contractors to ensure appropriate provision.</p> <p>2. Attendant services are provided to support people using transport services.</p> <p>3. The service supports social inclusion for older, vulnerable and less mobile people.</p>				

**Section 5a: Where and how will the above actions be monitored?**

n/a

**Section 5b: If you think there is no negative impact, what is your reasoning behind this?**

The service provides transport for vulnerable adults.

**Section 6: What research / data / information have you used in support of this process?**

Equality information.

**Section 7: Are you intending to carry out any consultation with regard to this Council proposal?**

**No** – (please delete as appropriate)

**If 'yes' please continue to section 8.**

**If 'no' please state your reason(s) why:**

Consultation will be carried out if the Council considers reviewing the currently provided transport provision.

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 8:        How will consultation take place and by when?**

Before you complete your consultation, please email your preliminary EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.

**Section 9:        Have you remembered to:**

- a) **Include any potential positive impacts as well as negative impacts? (section 5)**
- b) **Send this EIA to your Head of Service for approval.**
- c) **Review section 5 once consultation has taken place and sent your completed EIA to your Head of Service for approval then to your Chief Officer for re-publishing?**

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## WIRRAL COUNCIL

### CABINET 21 JUNE 2012

<b>SUBJECT:</b>	<b><i>PUBLIC HEALTH TRANSITION</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>ACTING CHIEF EXECUTIVE</i></b>
<b>KEY DECISION</b>	YES

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Cabinet with an update on national policy and guidance for public health reform; an update on the local transition, and to seek agreement on the proposed role of the Director of Public Health and structure within the Council.

Under the Health and Social Care Act, local authorities have been given new statutory duties across the three 'domains' of public health. These are:

- Health improvement – including reducing lifestyle related ill-health and inequalities in health, and addressing the underlying determinants of health
- Health protection – including ensuring that comprehensive plans are in place across the local authority, NHS and other agencies to respond to infectious disease outbreaks and other public health emergencies
- Health service improvement – by providing NHS Commissioners, including Clinical Commissioning Groups, with expert advice and support to improve and evaluate the quality and efficiency of health services.

In addition, each authority must, acting jointly with the Secretary of State for Health, appoint an individual to have responsibility for its new public health functions, known as the Director of Public Health (DPH).

#### 2.0 BACKGROUND AND KEY ISSUES

##### National guidance

- 2.1 The Health and Social Care Act 2012, states that Public health is part of the health service and will remain so even after transfer to the Local Authority. Not since 1974 have local authorities had health service functions and it is important that some consideration be given to the difference between this situation and other local authority functions.
- 2.2 Constitutionally the responsibility for most local authority functions lies with the local authority. DCLG's responsibility is that of a regulator and a mediator of relationships. DCLG is not accountable to Parliament for local government services. Its role in finance is as the custodian of its distribution. Responsibility for the health service lies with the Secretary of State directly. He is accountable to Parliament and must write an annual report to Parliament on the health service in England. The financial allocations are made out of NHS money for which the Secretary of State is responsible. His function is then devolved to NHS bodies and also now to local authorities.

2.3 How much this constitutional difference will matter in practice is unclear but there will be some differences

- DH will have wider powers of direction and intervention than DCLG
- It will also be more accustomed to using them
- It is unlikely that ring fencing will be removed from the public health grant without replacing it with some other method for the Secretary of State to account for its value e.g. outcome-based funding
- Certain legal constraints will apply e.g. local authorities will not be permitted to charge
- Certain NHS systems will apply (although not all because the Government is now drawing a new distinction between “the health service” and “the NHS” – this distinction is not entirely clear as yet)
- It will be possible to raise questions about public health in Parliament

2.4 A number of guidance documents have now been issued in relation to the reform of the public health system. In particular,

- The public health outcomes framework.
- An operating model describing how PHE will work.
- Further details about implementing public health in local government and the role of the DPH.
- Public health funding – establishing the baseline for expenditure.
- An HR Concordat with local government on the transition process.

2.5 The baseline funding estimates for the new public health commissioning architecture were published on 7 February 2012. This provides the funding estimate for 2012-13. A further piece of work is being done by the Advisory Committee on Resource Allocation and how resources should be distributed in the long-term. A consultation document has now been received, which on a crude analysis could mean that over time Wirral’s allocation reduces by a figure which could be between £6 million - £7 million. This would have a significant impact on long-term investments in prevention. The problem is that the calculation is being made from an overall pot of £2.2 million which is the estimated amount spent on public health across the country in local authorities. For those local authority areas where there has been little sustained investment, it is likely that they will gain funding. The issue is that the overall pot is not enough to allow those areas to benefit, without a resulting disbenefit for areas that have invested in public health interventions. A final decision on the allocation is unlikely to be available until December 2012. The document states that ‘we would not expect the LA public health ring-fenced grants to fall in real terms from the values in Annex A, other than in exceptional circumstances such as a gross error or following a technical adjustment with major consequences for budgets, such as significant adjustment for NHS income, a change in planned responsibilities, or a large shift in the incentive payment for drugs treatment. In particular we may need to do further work to confirm the adjustment we have made to take account of abortion, sterilisation and vasectomy services initially being the responsibility of CCGs [Clinical Commissioning Groups] rather than LAs.’ The baseline spend projected for 2012-13 for Wirral includes an uplift from the 2010 figures which it is based on, and for Wirral is estimated to be £22,264,000. Our current contracts and services provided for those areas which will transfer to local authority responsibility will need to be managed within

this figure. However, an additional £2,123,000 has been requested in addition to this to cover further expenditure which it has now become clear will transfer to the local authority. If this is not received, then there will be a potential further pressure on the budget which will have to be addressed.

### **Public Health Structure for Wirral**

- 2.6 On 3 February 2012 a report providing an update on public health transition was taken to Cabinet and it was recommended that
- the Chief Executive be instructed by to work with the Director of Public Health to bring back a proposal to on the future structure and operation of public health within the Council.
  - subject to the satisfactory outcome of consultation, the Chief Executive ensures that a Memorandum of Understanding or other appropriate arrangements are put In place to allow the public health function to operate in shadow form during 2012/13.
  - Cabinet endorses the membership and purpose for the Public Health Transition Steering Group

These recommendations were approved by Cabinet.

- 2.7 The transition plans submitted to the Strategic Health Authority and to the Department of Health have been assessed as meeting their requirements. A transition group is in place and providing oversight of the activities which will need to be delivered during the next period to April 2013.
- 2.8 The LGA, in collaboration with the Department of Health has issued guidance on human resources issues associated with transition. This guidance notes that:
- Staff identified as working in the public health functions that will transfer to local government on a statutory basis under the Health and Social Care Bill 2011 will do so on a TUPE or TUPE-like basis under COSOP
  - Local authorities and PCTs are strongly encouraged to work together jointly with relevant trade unions to prepare for the transfer
  - Arrangements should be agreed locally to help transferring staff to engage more closely with their eventual new employers in the transition year 2012-13
  - However, no staff should transfer employment in advance of the due date of 1<sup>st</sup> April 2013 which is the date the statutory responsibilities transfer
- 2.9 The bullet points above are being taken into account by the human resources workstream of the public health transition steering group.

## **Issues which might arise during transition:**

- 2.10 The NHS is currently running a voluntary redundancy process. Public Health staff may apply for this, and any agreement will need to be made on the assumption that we do not need the post, or that we will restructure to manage the work.
- 2.11 PHE and the NHS Commissioning Board have not yet published their detailed local structures. It is not clear whether specific roles would transfer into those structures from a local level; although if this were to be the case the numbers of roles in those organisations are likely to be small, and may be subject to competitive interview.
- 2.12 It is likely that more substantive arrangements will be required to be in place around October 2012. This is as a result of Clinical Commissioning Groups being authorised, NHSCB and PHE structures being defined, and the need for PCT Cluster oversight being reduced. In other words, the majority of the reformed system will be expected to be working in the six months before the formal transfer of responsibilities detailed in the Health and Social Care Act 2012.

## **Managing existing responsibilities**

- 2.13 The structures attached to this report in Appendix 3 are the structures that are in place now to meet the needs of the next 12 months, however, this may change given 2.12 and 2.13 above. It would be expected that we would need to seek some shared service arrangements to manage the work with a reduced capacity of staff.
- 2.14 The Shadow arrangement proposed in the Cabinet paper of 2<sup>nd</sup> February is intended to enable public health staff to attend internal council meetings, understand council systems and to undertake a process of induction. However, this is on the understanding that the liability for those staff and budgets remains with the NHS until the end of March 2013. It may be that this liability may be dealt with through a secondment arrangement that could be put in place in October if the issue described in point 3 above arises. This could only happen if the local authority was happy to operate in this way.

## **Defining a future structure**

- 2.15 Over the past two months, a number of discussions have taken place regarding the future responsibilities of the Director of Public Health and the relevant supporting functions. The core role of the Director of Public Health is defined by the guidance provided at Appendix 1, and the functions/responsibilities of local authorities at Appendix 2.
- 2.16 The proposed responsibilities are as follows:
  - 2.16.1 The Director of Public Health will continue to be responsible for the public health functions and staff that currently form part of the public health resource on Wirral, and which will transfer to the local authority formally from April 2013.
  - 2.16.2 That the Director of Public Health will take responsibility for Performance Management across the Council and that the line management for this

function will transfer from the Finance Directorate into the Public Health Directorate.

2.16.3 That the Director of Public Health will take responsibility for a consistent approach to Commissioning and Procurement within the Council.

2.17 The guidance issued on the new public health system states ‘While the organisation and structures of individual local authorities is a matter for local leadership, we are clear that these legal responsibilities should translate into the Director of Public Health acting as the lead officer in a local authority for health and championing health across the whole of the authority’s business. This means that we would expect there to be direct accountability between the Director of Public Health and the local authority Chief Executive for the exercise of the local authority’s public health responsibilities and that they will have direct access to elected members.’

2.18 If this recommendation is approved, the next steps will be to:

- Understand the Performance Management and Commissioning and procurement needs of the Council to support any service redesign
- Map existing resources within the public health function and across the authority that link to these functions
- Undertake any required consultation (particularly with staff and staff-side representatives).

2.19 It has also been proposed that the Director of Public Health could have a role in respect of Environmental Health. As this currently falls within the remit of the Director of Law, HR and Asset Management, it is suggested that a decision on this aspect of the role is deferred until a later date to allow for appropriate discussions to take place.

### 3.0 RELEVANT RISKS

3.1 The risks are as described in the Cabinet report of 3<sup>rd</sup> February:

<b>Risk</b>	<b>Potential Impact</b>
Inadequate level of funding within local public health ring-fence to support local public health functions	Cuts in services currently provided
Failure to clarify public health responsibilities and organisational roles of the Local Authority, Public Health England and the NHS at a local level	Duplication/lack of coordination, potential to improve health outcomes is lost.
Public health responsibilities not embedded in all relevant parts of the new local system	Prevention not incorporated into care pathways Unable to maximise improvement and health inequality reduction opportunities.
New operating models do not provide for adequate public health support for local health emergency preparedness, resilience and response	Unable to respond effectively to major/public health incidents
Organisational barriers to access to information	Public health unable to access NHS data for health improvement, health protection

	and healthcare quality; thereby compromising the public health response
IM&T arrangements insufficient to support public health monitoring and service delivery	Inability to measure impact, uptake and outcomes.
Local authority does not embed public health action across all its functions	Duplication/lack of coordination, potential to improve health outcomes is lost.

#### **4.0 OTHER OPTIONS CONSIDERED**

4.1 It is recommended that the Director of Public Health should also have a leadership role in supporting partnerships to improve health outcomes for people in Wirral. The nature of this role can be considered as part of the Council's approach to partnership working.

#### **5.0 CONSULTATION**

##### **5.1 Staff Consultation**

There will be a need to ensure meaningful consultation with staff affected by the transfer of functions, and by the allocation of staff within the Council to the Directorate.

##### **5.2 Commissioned public health activity**

Depending on the local public health budget, and on policy decisions made within the Council, there could be a need to consult. This could arise from a reduction in investment available, or a change in focus responding to understanding of needs through the Joint Strategic Needs Assessment.

#### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 Voluntary, community and faith groups are currently commissioned through both the NHS public health function and through the Council. The Council will be determining priorities on public health activity through its normal consultation processes, in tandem with any consultation on the Health & Wellbeing Strategy.

#### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 The public health function currently commissions a significant amount of voluntary and community sector activity. In 2010/11 this amounted to £3.7 million of investment. There is an opportunity to ensure that this commissioning is integrated into any approach to commissioning from the VCF sector by the local authority.

#### **8.0 LEGAL IMPLICATIONS**

8.1 The local authority will be given statutory duties under the Health and Social Care Act (subject to Parliament). It has been indicated that, subject to the successful passage of the Bill the role of the Director of Public Health will be a statutory one, and that guidance would be issued describing this statutory role in the same way as guidance is produced for Directors of Adult Social Services and Directors of Children's Services.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

An impact review will need to be done in more detail since there is clearly potential for a workforce impact. An initial assessment is attached.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 *n/a*

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 *n/a*

## **12.0 RECOMMENDATION/S**

12.1 That the cabinet note the report.

12.2 That The Director of Public Health reports directly to the Chief Executive, and that a secondment arrangement is put in place to enable her to directly manage Council staff.

12.3 That under the secondment agreement, the Director of Public Health takes responsibility for Public Health, Performance Management, and the council's approach to Commissioning within the local authority with immediate effect.

## **13.0 REASON/S FOR RECOMMENDATION/S**

13.1 There are clear opportunities to create a robust structure for delivering public health functions, and to support the local authority in delivering its role as a public health organisation. These will be enhanced as further information becomes available on public health system reform, and assessment of internal opportunities is undertaken.

**REPORT AUTHOR:** *Fiona Johnstone*  
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## **APPENDICES**

*Appendix 1: Role of the Director of Public Health*  
*Appendix 2: Local Authority Commissioning Responsibilities*  
*Appendix 3.1 Proposed structure for the Director of Public Health:*  
*Appendix 3.2 Current public health structures which will transfer*

## **REFERENCE MATERIAL**

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Cabinet Report	3 February 2012
Cabinet Report	3 October 2011
Health & Wellbeing OSC	13 September 2011
Cabinet Report	17 March 2011
Health & Wellbeing OSC	18 January 2011



## Appendix 1

### RESPONSIBILITIES OF THE DIRECTOR OF PUBLIC HEALTH

**Also see Department of Health Guidance Note:  
Public Health in Local Government “*The Role of Director of Public Health*”.**

The Director of Public Health as a public health specialist will be responsible for all the new public health functions of local authorities, including any conferred on local authorities by regulation. The Director of Public Health will be the person elected members and other senior officers will consult on a range of issues, from emergency preparedness to concerns around access to local health services.

#### **Statutory responsibilities**

- produce an annual report on the health of the local population, and for the local authority to publish it.
- statutory members of the Health and Wellbeing Boards
- lead officer in a local authority for health and championing health across the whole of the local authority’s business

#### **Delivery responsibilities**

- Lead officer for health and championing health across the whole of the local authority’s business.
- Produce a JSNA that sets out the current health and wellbeing needs of the local population.
- Support the HWBB to produce and implement a Health and Wellbeing Strategy.
- promote opportunities for action across the “life course”,
- work with local criminal justice partners and the new Police and Crime Commissioners to promote safer communities.
- engage with wider civil society to enlist them in fostering health and wellbeing.
- day-to-day responsibility for the ring fenced public health grant to be delegated to the DPH.
- Undertake personal Continuing Professional Development and that of staff for whom accountable.
- Undertake appraisal in accordance with professional code of conduct.
- be fully engaged in the redesign of services that address the coming challenges
- influence and support colleagues who have a key role in creating better health, such as planning officers and housing officers
- facilitate innovation and new approaches to promoting and protecting health, while bringing a rigorous approach to evaluating what works, using the resources of PHE.
- contribute to the work of NHS commissioners, thus ensuring a whole public sector approach.

## Appendix 2

### PUBLIC HEALTH SERVICES

Also see Department of Health Guidance Notes:  
**Public Health in Local Government “*Commissioning Responsibilities*”**  
**Public Health in Local Government “*Public Health Advice to NHS Commissioners*”**

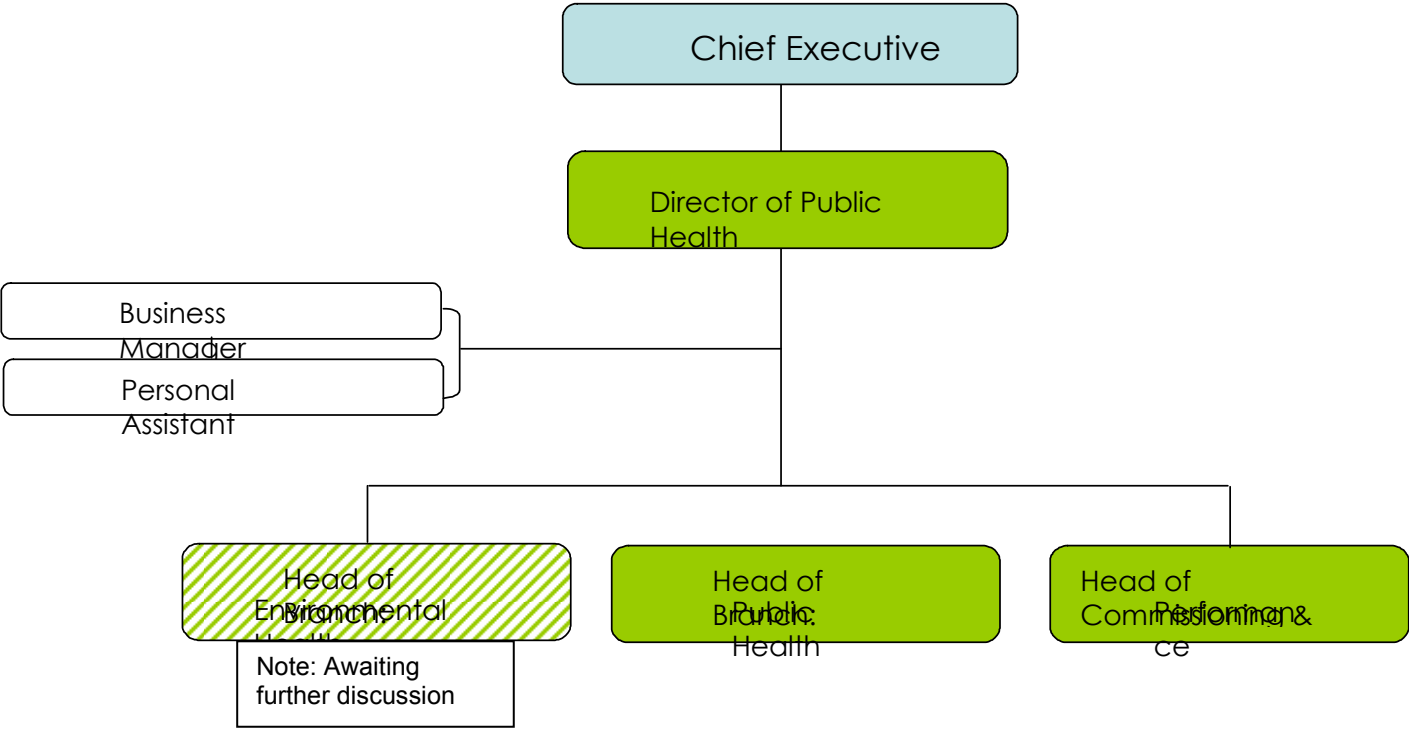
#### Locally Specified Services (i.e. Local Authority)

- Tobacco control and smoking cessation services
- Alcohol and drug misuse services
- Public Health services for children and young people aged 5-19 (including Healthy Child Programme 5-19) (and in the longer term all public health services for children and young people)
- Interventions to tackle obesity such as community lifestyle and weight management services
- Locally-led nutrition initiatives
- Increasing levels of physical activity in the local population
- Public mental health services
- Dental public health services
- Accidental injury prevention
- Population level interventions to reduce and prevent birth defects
- Behavioural and lifestyle campaigns to prevent cancer and long-term conditions
- Local initiatives on workplace health
- Supporting, reviewing and challenging delivery of key public health funded and NHS delivered services such as immunisation and screening programmes
- Local initiatives to reduce excess deaths as a result of seasonal mortality
- The local authority role in dealing with health protection incidents, outbreaks and emergencies
- Public health aspects of promotion of community safety, violence prevention and response
- Public health aspects of local initiatives to tackle social exclusion
- Local initiatives that reduce public health impacts of environmental risks.

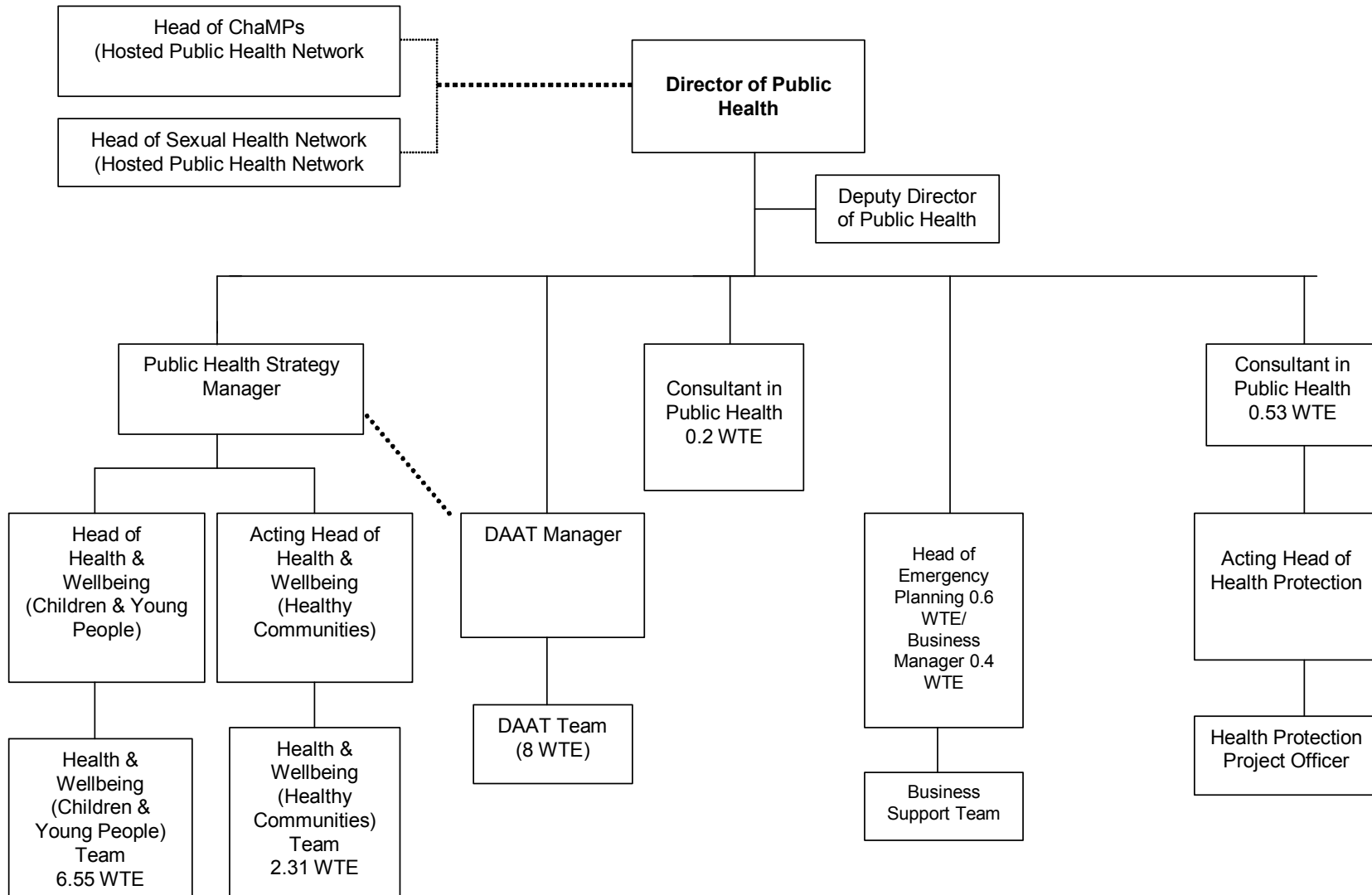
#### Nationally Mandated Services

- The National Child Measurement Programme
- NHS Health Check assessments
- Comprehensive sexual health services (including testing and treatment for sexually transmitted infections, contraception outside of the GP contract and sexual health promotion and disease prevention)
- Population healthcare advice to the NHS
- Protecting the health of the population.

Proposed Public Health Structure



**Public Health Directorate – Health Improvement, Health Protection and Healthcare-related Public Health**



**Public Health Directorate – Health Improvement, Health Protection and Healthcare-related Public Health  
Work Activities and functions**

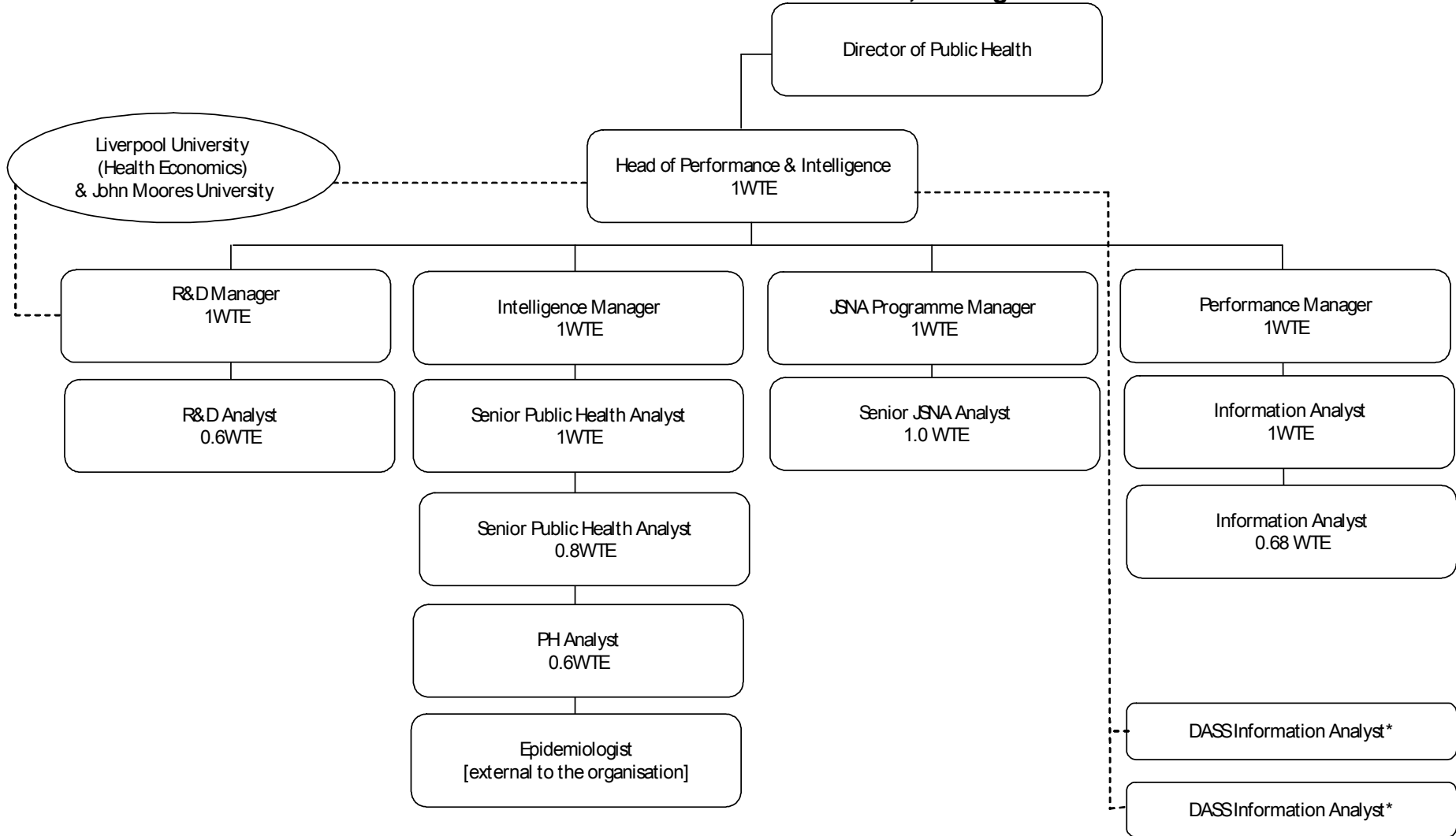
**Commissioning and Managing**

Teenage pregnancy, sexual health and contraception; weight management; breastfeeding; curriculum development for SRE; the health of looked after children; the healthy child programme; safeguarding; physical activity programmes; contract management; health inequality programmes, health trainer services; smoking cessation programmes; mental health and wellbeing; health improvement for vulnerable and minority communities; drug treatment and recovery services; alcohol education, prevention and treatment services; hepatitis testing and treatment programme; drug and alcohol services in criminal justice; offender health; community asset development

**Commissioning and Managing**

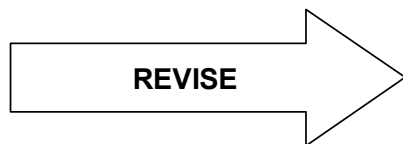
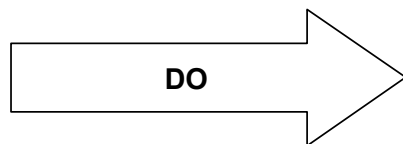
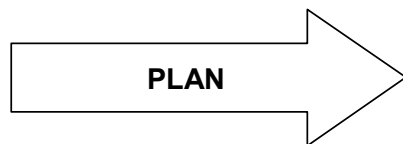
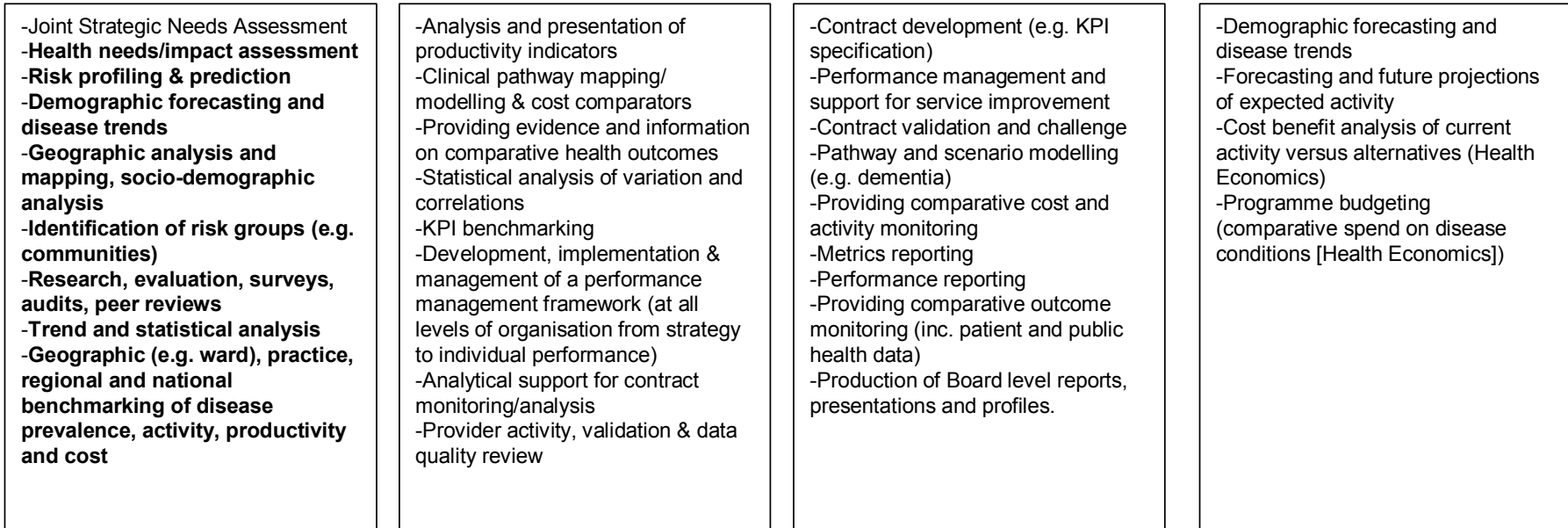
Health protection and major incident planning  
Immunisation (multiple programmes childhood through to older age)  
Screening programmes (12 programmes currently running – cancer, non-cancer, maternal and child health)  
Support for secondary care health services (e.g. heart disease, cancers, mental health, respiratory disease etc)  
Business Planning  
Performance Management

## Public Health Directorate – Public Health Performance, Intelligence & Research



\* Current management arrangements to be reviewed with Director of ASS

**Public Health Directorate – Public Health Performance, Intelligence & Research**  
**- Work activities and functions**  
**(Built around the commissioning cycle)**



## Equality Impact Toolkit (new version February 2012)

### Section 1: Your details

Council officer:

Email address:

Head of Service:

Chief Officer: **Fiona Johnstone**

Department: Public Health

Date: 24 February 2012

### Section 2: What Council function / proposal is being assessed?

**The transfer of public health functions and responsibilities to the local authority.**



**Section 2b: Is this EIA being submitted to Cabinet or Overview & Scrutiny Committee?**

No

**Section 3: Will the Council function / proposal affect equality in .....? (please tick relevant boxes)**

- Services**
- The workforce** ✓
- Communities**
- Other** (please state)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

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**Section 4:**      **Within the Equality Duty 2010, there are 3 legal requirements.**  
**Will the Council function / proposal support the way the Council**  
.....(please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation ✓
- Advances equality of opportunity ✓
- Fosters good relations between groups of people ✓

If you have ticked one or more of above, please go to section 5.

- None** (please stop here and email this form to your Chief Officer who needs to      email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:**      **Will the function / proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?**

**You may also want to consider socio-economic status of individuals.**

**Please list in the table below and include actions required to mitigate any negative impact.**

Protected characteristic	Positive or negative impact	Action required to mitigate any negative impact	Lead person	Timescale	Resource implications
Disability	May be a negative impact if staff move location and need reasonable adjustments to be made  Accessibility	Assessment of needs would be undertaken	Business Manager	n/a – will only apply if staff move location	Funding for any reasonable adjustments required
Gender	Carers may need flexible working arrangements	Assessment of needs undertaken  Use of flexible working policy	Business Manager	Transition period and beyond	Will need to be considered depending on the flexibility required.

**Section 5a: Where and how will the above actions be monitored?**

Through the Public Health Transition Steering Group

**Section 5b:** If you think there is no negative impact, what is your reasoning behind this?

**Section 6:** What research / data / information have you used in support of this process?

n/a

**Section 7:** Are you intending to carry out any consultation with regard to this Council function / policy?

Yes

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 8:** How will consultation take place?

Consultation will take place through the Human Resources Workstream of the Public Health Transition Steering Group. There are staff representatives on the steering group, and staff-side representatives have been invited to be on the workstream group.

Before you complete your consultation, please email your 'incomplete' EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.

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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT:</b>	<b>ADULT SOCIAL SERVICES – PEER CHALLENGE PROCESS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>GRAHAM HODKINSON, DIRECTOR OF ADULT SOCIAL SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR ANNE MCARDLE</b>
<b>KEY DECISION?</b>	NO

### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to share with Cabinet the stage that the Department has reached in the Peer Review process, which is a fundamental part of its improvement programme.
- 1.2 It has now received the report from the Safeguarding Peer Challenge in May 2012 and the initial feedback from the Adult Social Care Peer Review in June 2012.
- 1.3 This report highlights the feedback from the Safeguarding Peer Challenge and the initial comments from the Peer Review.
- 1.4 The reports from both of these will be presented to Health and Wellbeing Overview and Scrutiny Committee and will be made available on the Council's website.
- 1.5 Any areas of consideration that have been identified will be incorporated into the Department's improvement planning process.

### 2.0 BACKGROUND

- 2.1 In November 2011 the Department of Adult Social Services produced a Self Evaluation which provided a great deal of evidence of the improvement in its services since the CQC Inspection in 2010. In particular the evaluation focussed on: safeguarding, choice (personalisation) and quality.
- 2.2 This evaluation was validated by a peer challenger in December 2011 and a number of areas for further consideration were highlighted. It was agreed that these should form the terms of reference for a subsequent Peer Review in June 2012.

- 2.3 It was also agreed that a Peer Challenge be undertaken in May 2012 to evaluate safeguarding practice and that this would form part of the preparation for the Peer Review.
- 2.4 The outcomes from both processes will be reported to the Local Government Association “Towards Excellence in Adult Social Care” Board in October 2012 with the aim of demonstrating that the Department’s services should no longer be considered “adequate”.
- 2.5 Any areas of consideration that have been identified will be incorporated into the Department’s improvement planning process.

### 3.0 MATTERS FOR CONSIDERATION

3.1 The Peer Review Team undertook a detailed examination of the department during the week 25 June 2012 to 29 June 2012. The review focused on nine adult social services key themes:

- Vision, strategy and leadership
- Commissioning
- Outcomes
- Service delivery and effective practice
- Participation
- Working together
- Resource and workforce management
- Outward focus
- Improvement and innovation

3.2 The initial headline feedback was:

<b>Key Messages</b>	
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Improvement clearly evident</li> <li>• Directors leadership having an impact/influence</li> <li>• Direction of travel positive</li> <li>• Examples of really good practice and service</li> <li>• Increasing outward focus</li> </ul>
<b>Key areas for consideration</b>	<ul style="list-style-type: none"> <li>• Work needed on some key relationships</li> <li>• Delivering effective commissioning</li> <li>• Moving from personal budgets to personalization</li> <li>• Communicating strategic priorities to a wider audience</li> <li>• Developing shared goals across health and social care</li> </ul>



3.3 The Department is still awaiting the full report from the Peer Review Team; it is proposed to present this to the Health and Wellbeing Overview and Scrutiny Committee and publish the document on the Council's website.

3.4 The key areas of feedback from the Adult Safeguarding Peer Challenge team in May 2012 including achievements and areas for further consideration can be summarised as:

<b>Area of Feedback</b>	<b>Achievements</b>	<b>Further Consideration</b>
Outcomes and People's experience of Safeguarding	<ul style="list-style-type: none"> <li>Evidence of more personalised approach – social workers keen to develop further</li> </ul>	<ul style="list-style-type: none"> <li>Need to Develop outcome focus and framework, greater sophistication and focus on prevention</li> </ul>
Leadership, Strategy and Commissioning	<ul style="list-style-type: none"> <li>Clear leadership, strong links with health, self awareness</li> </ul>	<ul style="list-style-type: none"> <li>More corporate approach to safeguarding adults and more distinct adults approach</li> <li>Improve commissioning for quality and safety at the right price</li> </ul>
Service Delivery and Effective Practice	<ul style="list-style-type: none"> <li>Increased social worker confidence in process, better multi agency working, good legal advice</li> </ul>	<ul style="list-style-type: none"> <li>Consider different models of "Social Care Pathways"</li> <li>Develop person centred protection plans</li> </ul>
Performance and Resource Management	<ul style="list-style-type: none"> <li>Significant investments made, management culture has shifted, A learning culture is developing</li> </ul>	<ul style="list-style-type: none"> <li>Improve analysis and use of Management Information</li> <li>Develop comprehensive Workforce Development Strategy</li> </ul>
Working Together – Safeguarding Adults' Board	<ul style="list-style-type: none"> <li>Safeguarding Board - Good annual reporting and business plan (exemplar)</li> </ul>	<ul style="list-style-type: none"> <li>Develop joint processes with Community Safety and Housing Partnership</li> <li>Review the engagement of police and criminal justice system with The Board</li> </ul>

- 3.5 In addition there were a number of “Messages to the Director” from Social Workers and Managers:
- Need to work end to end i.e. see through the whole process
  - Need opportunities for reflective practice
  - Clear Professional development Strategy required

#### **4.0 RELEVANT RISKS**

- 4.1 The outcome of the Peer Challenge process is to improve; consequently specific risks will be identified as part of the Action Planning process.

#### **5.0 OTHER OPTIONS CONSIDERED**

- 5.1 Peer Challenge is the preferred approach to Sector Led improvement and has, broadly, replaced the previous inspection regime.

#### **6.0 CONSULTATION**

- 6.1 Certain aspects of the Action Planning process may require consultation; this will be addressed as the process develops.

#### **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 The sector’s role will be considered within the action planning process.

#### **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 8.1 No specific implications are identified at this stage.

#### **9.0 LEGAL IMPLICATIONS**

- 9.1 No specific legal implications arise as a result of this report.

#### **10.0 EQUALITIES IMPLICATIONS**

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No impact is identified at this stage but will be considered as part of the action planning process.

#### **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 No specific carbon reduction implications arise as a result of this report.

#### **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 12.1 No specific planning and community safety implications arise as a result of this report.

### 13.0 RECOMMENDATIONS

13.1 That Cabinet comments on the Safeguarding Peer Challenge and the Peer Review of the Department of Adult Social Services.

### 14.0 REASONS FOR RECOMMENDATION/S

14.1 To ensure that the issues raised within the Peer Challenge process that will impact on the improvement plan of the Department are fully considered by Cabinet.

**REPORT AUTHOR:** **Steve Rowley**  
**Head of Finance and Performance**  
telephone: (0151) 666 3662  
email: [stephenrowley@wirral.gov.uk](mailto:stephenrowley@wirral.gov.uk)

### APPENDICES

None

### REFERENCE MATERIAL

None.

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet - DASS Self Evaluation	24.11.11

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## WIRRAL COUNCIL

### CABINET

19<sup>TH</sup> JULY 2012

<b>SUBJECT:</b>	<b><i>SUPPORTING PEOPLE CONTRACTS FOR PROVIDERS OF SERVICES TO PEOPLE AT RISK OF OR EXPERIENCING SOCIAL EXCLUSION.</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>BOROUGH WIDE</i></b>
<b>REPORT OF:</b>	<b><i>KEVIN ADDERLEY DIRECTOR OF REGENERATION, HOUSING AND PLANNING</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>GEORGE DAVIES, HOUSING</i></b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks to inform Members of the decision of the Director for Regeneration, Housing and Planning to extend a number of Supporting People contracts for a period of twelve months. These extensions have been awarded under the Directors powers of delegated authority. The full details and values of the contracts are listed in the appendix 1.
- 1.2 Further it seeks Members approval to extend a Supporting People contract awarded to Forum Housing Association. Forum Housing Association delivers housing related support services to up to 223 young people who are homeless or at risk. The proposed contract extension is for a period of twelve months, details listed in Appendix 1
- 1.3 Appendix 1 of this report contains commercially sensitive information regarding contracts, the disclosure of which is not considered to be appropriate. Accordingly, Appendix 1 is deemed to be exempt from disclosure under paragraph 3, Part 1 of schedule 12A of the local Government Act 1972 (as amended).

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Supporting People funding is a key resource for ensuring that vulnerable or disadvantaged people with housing related support needs are appropriately supported to maintain their tenancies and achieve/maintain greater independence.
- 2.2 Supporting People funding was previously ring-fenced and the criteria for its use was clearly set down by Department for Communities and Local Government, as was the structure for Commissioning and contracting. The ring fence has now been lifted however the Council must continue to ensure that vulnerable people with housing support needs remain able to access appropriate support services and accommodation,

such as hostel for the homeless, women's refuge, supported housing for people with mental health problems.

- 2.3 Whilst Supporting People is not a statutory duty, investment in preventative services delivers cost benefits to the Council and other statutory services such as Health and the Criminal Justice System.
- 2.4 The Supported and Special Needs Housing Commissioning Strategy 2008-2011 outlined the basis on which contracting and commissioning of services would occur. The overall aim being to create stability for service users and providers of supported housing services, by awarding three to five year contracts whilst also achieving efficiencies and economies of scale.
- 2.5 The award of contracts for the services and providers listed in the Appendix was approved by Cabinet on 25<sup>th</sup> June 2009 and, for four floating support services that had been commissioned through a competitive tendering process, on 4<sup>th</sup> February 2010. Cabinet approved the award of contracts, to each of the organisations, for a period of three to five years. Contracts were subsequently issued for a three year period with an option to extend further.)
- 2.6 The original contracts were awarded either following a rigorous regional benchmarking process or following open tender. No inflationary increase has been awarded since the commencement of the contracts, and in addition this process realised efficiency savings to the Council of over £400,000 per year.
- 2.7 During the intervening three year period information has been gathered regarding the performance of the services and the outcomes achieved by service users. In addition a full review of the services and organisations has been carried out to ensure that quality standards are being maintained and that value for money is achieved.
- 2.8 The initial three year period of the contracts expire between July 2012 and April 2013. During the past three years the providers have effectively demonstrated that the service delivery has achieved positive outcomes for clients and they have delivered cost benefits for Council Departments, Health and the Criminal Justice System.
- 2.9 All providers have been able to meet the requirements of the national Quality Assessment Framework, in many instances being assessed as attaining level A. In addition evidence from performance returns identifies that there is ongoing, in some instances increasing, demand for the services due to the current economic downturn. In addition the forthcoming changes to the Welfare Benefits system may also have a significant impact on the increased demand for services.
- 2.10 Members will also be aware that the Director of Regeneration, Housing and Planning is required to carry out a Homelessness Review, to inform the Wirral Homelessness Strategy. The Wirral Homelessness Strategy will be instrumental in identifying the commissioning priorities with regard to services for vulnerable people experiencing social exclusion including: homeless hostels; domestic violence services; young people at risk/care leavers and teenage parents services; mental health services; drug, alcohol and services for ex offenders.
- 2.11 In order to ensure that Supporting People funded services are aligned with the priorities identified within the Homeless Review and Strategy, (due to be completed December

2012), it is recommended that extensions to existing contracts be awarded. This will facilitate consultation, negotiation and/or tender exercise once the Homeless Strategy is completed.

2.12 Having considered all of the influencing factors listed above, the Director of Regeneration, Housing and Planning has agreed to extend all of those within his delegated authority, and request approval to extend the contract with Forum Housing Association.

### **3.0 RELEVANT RISKS**

3.1 A loss of services to vulnerable people.

3.2 Potential litigation arising from the expiration of contracts without formal, agreed notice periods being given.

3.3 Potential financial implications for other Departmental budgets.

3.4 Increased instances of rough sleeping and homelessness arising from tenancy breakdown.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options were considered viable.

### **5.0 CONSULTATION**

5.1 As part of the Homelessness review all relevant stakeholder, partners, providers, service users and advocates have been fully consulted, with regard to service for the most vulnerable and socially excluded Wirral residents.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 Many of the providers awarded a contract for supported living services are Wirral based voluntary organisations. These organisations are reliant on appropriate funding for their services in order to remain financially viable.

### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 The value of the contracts, as detailed in the Appendix to this report, will be met within existing resources.

7.2 Members will be aware that, for those contracts under £500,000.00, the Director for Regeneration, Housing and Planning can award under delegated authority. However, for the Forum Housing contract, which exceeds this sum, Members are asked to approve the award of the contract extension.

### **8.0 LEGAL IMPLICATIONS**

8.1 Legal and Member Services have determined that Supporting People services are provided as Part B as they maintain clients' health and well being by assisting them to remain independent within the community. Therefore there is no legal requirement to undertake a formal competitive tender for the commissioning of these services.

8.2 The services have been reviewed and demonstrate that they comply with UK Procurement policy for Local Authorities: which is to seek and demonstrate value for money in all public procurement.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 The potential impact of the proposal has not been reviewed with regard to equality.

9.2 The needs of vulnerable and marginalised groups have been considered, and are central to Supporting People Services. It is a key objective of the services provided under contracts to ensure that vulnerable people have equal access to opportunities and to promote social inclusion.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are no Carbon reduction implications arising from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are no Planning implications arising from this report.

11.2 The extension of these contracts supports policies and programmes that will have a positive effect on the safety of communities.

## **12.0 RECOMMENDATION/S**

12.1 That Cabinet note the decision of the Director of Regeneration, Housing and Planning to extend Supporting People contracts for socially excluded groups (as detailed in appendix one) in order to allow for the completion of and alignment with the Homelessness Strategy.

12.2 That Cabinet approve the extension to the contract with Forum Housing Association as detailed in the appendix to the report, in order to allow for the completion of and alignment with the Homelessness Strategy.

## **13.0 REASONS FOR RECOMMENDATION/S**

13.1 This action will ensure that the Council continues to protect vulnerable individuals whilst ensuring continuity of support for vulnerable residents currently in receipt of support services.

13.2 The delivery of housing related support services reduces the financial burdens on other Council Departments and partner agencies and assists the Council in continuing to meet strategic priorities.

13.3 This action will avoid potential challenges that may arise from the expiration of contracts without a formal notice period and as a result of the subsequent withdrawal of support services.

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## **APPENDIX 1**

Details of provider organisations, client groups and services affected.

### **REFERENCE MATERIAL**

Cabinet report of 25th June 2009 - WIRRAL'S SUPPORTED AND SPECIAL NEEDS HOUSING: NEGOTIATED CONTRACTS

Cabinet report of 4<sup>th</sup> February 2010- WIRRAL'S SUPPORTED AND SPECIAL NEEDS HOUSING: TENDERED CONTRACTS – FLOATING SUPPORT

### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet</b>	25 <sup>th</sup> JUNE 2009
	4 <sup>th</sup> FEBRUARY 2010

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## WIRRAL COUNCIL

### CABINET MEETING

19<sup>TH</sup> JULY 2012

<b>SUBJECT:</b>	<b>TREE PLANTING AND GREEN INFRASTRUCTURE SCHEME – GREEN STREETS WIRRAL WATERS 2012-2015</b>
<b>WARD/S AFFECTED:</b>	<b>BIDSTON &amp; ST JAMES, BIRKENHEAD &amp; TRANMERE, SEACOMBE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF TECHNICAL SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>CLLR HARRY SMITH STREETSCENE &amp; TRANSPORT SERVICES CLLR PAT HACKETT REGENERATION &amp; PLANNING STRATEGY</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek Cabinet approval for the proposed Green Infrastructure scheme which will involve the planting of up to 600 trees on green spaces and approach roads to the proposed Wirral Waters developments around East and West Float Bidston Docks and environs e.g. on Hoylake Road, Ilchester Square, Duke Street, Tower Road etc. in conjunction with The Mersey Forest as part of the Green Streets Wirral Waters Project. See appendix plan (A1 ‘Target area for Green Streets Wirral Waters’).
- 1.2 This report also seeks approval to undertake future adoption of trees planted on Wirral Council owned land once the scheme is completed and future maintenance responsibility after the expiry of the 5 year maintenance period.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Wirral Waters is a 30-40 year programme of targeted inward investment within the Wirral Council boundary.
- 2.2 Green Streets is a successful initiative of The Mersey Forest ([www.merseyforest.org.uk](http://www.merseyforest.org.uk)) that uses urban tree planting as a mechanism to improve the quality of life for people in towns and cities. Green Streets works at the heart of the community with residents and partner organisations to promote the value of greenery as a means of tackling a range of social, health and economic issues, producing sustainable tailor-made greening schemes to meet the very personal needs of each community.
- 2.3 The Green Streets programme in Wirral (April 2012 –March 2015) is a development of

the existing work of community greening initiatives in The Mersey Forest that supports urban tree planting and long term stewardship of Mersey Forest sites.

- 2.4 The streets and green spaces targeted by the scheme lead from and through residential areas and along key highway links and local infrastructure and border the Wirral Waters area. The proposed planting scheme would support proposed development activity related to Outline Planning Permission for the site and environs. In addition local transport infrastructure plans including improved cycling and walking and local transport routes and improvements would be enhanced.
- 2.5 Existing infrastructure within the planting areas would be unaffected by the planting of trees on the streets concerned. Through liaison with appropriate Council officers representing Council departments together with wider consultation of residents, responsible providers and private land owners the scheme will target the most appropriate locations for planting.
- 2.6 Currently Wirral Council is not part of The Mersey Forest Partnership but is a key partner in the Wirral Waters scheme. This project (Setting the Scene for Growth) forms the start of the physical implementation of: Setting The Scene For Wirral Waters - A Green Infrastructure Investment Framework intended to carry out specific tasks including: the adoption of a Green Infrastructure strategy for Wirral Waters, in advance of the borough wide strategy. This project aims to address some of the issues highlighted in this document. Examples of projects include greening key routes, creating a community based growing project, establishing a multi age useable & accessible park, establishing areas of intermediate and incidental woodlands and wildflower meadows.
- 2.7 Setting The Scene For Wirral Waters - A Green Infrastructure Investment Framework <http://democracy.wirral.gov.uk/mgConvert2PDF.aspx?ID=20221> was discussed at Cabinet 1<sup>st</sup> September 2011.

### 3.0 RELEVANT RISKS

3.1 A summary of relevant risks is as follows:

Risk Description	Probability	Impact	Overall risk	Risk Owner	Mitigation
Key personnel leave the organisation	Med	Low	1-2	The Mersey Forest (TMF)	Training and involvement of other staff to ensure that knowledge is widespread in the organisation
Cost Overrun	Low	High	1-2	TMF	Constant tracking of expenditure against project timeline with reporting to steering group
Financial claw back	Low	Low	1	TMF	TMF good experience, regular claims
Vandalism	Med	High	2-3	TMF	Robust design and community engagement to create a sense of ownership

Vandalism (long term)	Med	High	2-3	Wirral Council	An intensive 5 year establishment programme along with community consultation to ensure that trees are well established and thriving, robustly designed and an important part of the communities local environment
Timescales - delays and slippage	Med	Low	1-2	TMF	Monthly updates to track project progress and adjust where necessary Programme schedule adopted to ensure delivery timescales met
Partnership fallout	Low	High	1-2	TMF	TMF as lead partner have experience of working in and managing partnerships

#### 4.0 OTHER OPTIONS CONSIDERED

- 4.1 The other options available are “do nothing” or an expansion of the programme to cover more of the areas of need. The resources that have been secured for the Green Streets programme at Wirral Waters cannot be used for non tree/woodland activity. There are currently no alternative resources available for this work.
- 4.2 “Do nothing” will not address the identified needs as agreed in the Green Infrastructure Investment Framework (referred to in section 2.6), will reduce any forthcoming opportunities to improve areas for local communities, and will not provide a setting for Wirral Waters. At present an expansion of the programme is not considered a viable option due to the lack of additional financial resources.
- 4.3 Doing nothing will result in missing out on a large sum of inward investment that releases the potential for further investment.

#### 5.0 CONSULTATION

- 5.1 A series of consultation events is being undertaken prior to the delivery of the project and consultation and engagement during delivery will continue throughout.
- 5.2 This will entail the direct engagement and consultation with a broad group of partners, funders and residents as well as community groups within the target areas affected by change. Consultation is key to the delivery of the project.
- 5.3 Apart from Wirral Council departments other consultees include Wirral Partnership Homes, Riverside, Peel Holdings, Groundwork organisations’, Friends of Bidston Moss, The Mersey Forest, Friends of Birkenhead Park, Wirral Parks Forum, Merseyside Police and Merseytravel.
- 5.4 An evaluation, engagement and consultation plan has been established for this project.

#### 6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 The project delivery would result in a positive outcome for these groups both through delivery of an enhanced environment and from the perspective of opportunities for engagement, consultation and involvement in aspects of the project and allied projects.

6.2 These groups have the potential to benefit from direct inclusion in physical delivery of aspects of the schemes together with the associated health and wellbeing associated with exposure to a greened environment.

## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 The full scheme costs are to be finalised subject to tendering but in total may amount close to £1M, fully funded through the Setting The Scene For Growth Programme operated through The Forestry Commission via the Department of Business Innovations and Sustainability (BIS). Further detail will be reported to Members for approval once the scheme is finalised, prior to commencement of works.
- 7.2 There are only minor budget implications for Wirral Council as both the scheme and the initial establishment of trees for the first five years will be subject to full funding. These factors can be managed within existing resources.
- 7.3 An anticipated strong level of community 'buy in' and robust design and implementation will mitigate against any issues related to any minor costs in cleansing and streetscene maintenance implications.
- 7.4 The scheme represents a minimum capital inward investment of £1M in the local environment and the communities of the Seacombe, Bidston & St James, Birkenhead and Tranmere wards.
- 7.5 The trees shall be watered, mulched and pruned under contract for a 5 year establishment period, as part of the initial contract, by the appointed contractor with The Mersey Forest. This contract specifically excludes vandalism or accidental damage to the trees pits and guards, but risk of damage is minimised through good design and community engagement in the Green Streets programme.
- 7.6 Any initial vandalism or reasonably manageable damage to trees would be picked up within contingency funding within the lifetime of the project– with 5% of the capital cost of the trees plus re planting costs set aside for re-planting any lossages as a guide figure. A sum of £18,000 will be set aside in trust to cover this work for 5 yrs after the last planting in the scheme.
- 7.7 The planting represents an inward investment of £1M and the anticipated future maintenance implications for Wirral Council are no greater than £10K per annum from completion of the 5 year contractual maintenance period.
- 7.8 On completion of the initial planting contract the Technical Services Department will be responsible for the trees and related infrastructure in terms of maintaining the highway infrastructure and public safety subject to obligations of the maintenance/establishment contract referred to in the previous section 7.5. Wirral Council will take on full responsibility for the trees on completion of the 5 year maintenance period for each and subsequent planting over the lifetime of the project.
- 7.9 The design, procurement and implementation of the scheme will be commissioned by The Mersey Forest Team working as a strategic partner in the Newlands land reclamation programme funded through the Forestry Commission by BIS.
- 7.10 Prior to the commencement of work The Mersey Forest and the Technical Services Department together with key partners will agree project details in relation to approved

designs and implementation procedures in order to minimise future maintenance implications.

- 7.11 There are no staffing implications for the Council arising from this report.
- 7.12 The implementation of the scheme will result in a net increase in assets adding value.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 There are no legal implications. All assets will remain the property of Wirral Council.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 All residents in the area will have the opportunity to be involved with events around the Project and will have the opportunity to take an active part in the Green Streets process. The design of the scheme will be DDA compliant and consultation will be inclusive.
- 9.2 Green Streets programme aims to encourage active citizenship by engaging local people in the development and implementation of projects.

*Has the potential impact of your proposal(s) been reviewed with regard to equality?*

(a) Yes and impact review is attached - <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/technical-services-0>

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are positive carbon reduction implications. The planting of trees creates the opportunity to increase the functionality of these proposed Council assets in terms of increasing carbon sequestration and storage and benefits residents through the actions of shading and cooling effects associated with climate change adaptation.
- 10.2 Increased greenery has a net positive effect on the health and wellbeing of residents.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are no planning implications arising from this report.
- 11.2 Engagement with future planning strategies as well as the intended housing, transport and recreational needs of the Council the project aims to increase the sustainability of strategic development.

## **12.0 RECOMMENDATION/S**

- 12.1 Cabinet is requested to:
- (i) Approve the implementation of a tree planting scheme for the Wirral Waters approaches as defined in the map (Appendix A);
  - (ii) Approve the outline master plan set out in the Green Infrastructure Investment Framework document (see reference material);

- (iii) Approve the proposal to undertake future adoption of trees planted on Wirral Council owned land once the scheme is completed;
- (iv) Approve the proposal to undertake future maintenance of trees planted on Wirral Council owned land after the expiry of the 5 year maintenance period from within existing budgets.

### **13.0 REASON/S FOR RECOMMENDATION/S**

- 13.1 The intended planting represents a real benefit to Wirral Council and assists in setting the scene for further Wirral Waters Investment.
- 13.2 The intended Green Infrastructure is both sustainable, of real benefit to the communities and is important in terms of the security of inward investment in The Wirral.
- 13.3 Additional investment is intended by The Mersey Forest subject to successful existing bidding for funding.

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### **APPENDICES**

Appendix A – Wirral Waters Green Streets & Green Infrastructure Map  
Area of Delivery and Area of Influence

### **REFERENCE MATERIAL**

Detailed drawings are on display in the Members Room and will be placed in the committee room on the night of the meeting.

Green Infrastructure Investment Framework

[Setting The Scene For Wirral Waters - A Green Infrastructure Investment Framework](#)

Green Infrastructure Strategy for Wirral Waters

[www.merseyforest.org.uk/files/Setting\\_the\\_scene\\_for\\_Wirral\\_Waters\\_GI\\_Strategy.pdf](http://www.merseyforest.org.uk/files/Setting_the_scene_for_Wirral_Waters_GI_Strategy.pdf)

A case study of the Green Streets Project can be viewed here:

[http://www.greeninfrastructurenw.co.uk/resources/green\\_streets\\_ellesmere\\_port.pdf](http://www.greeninfrastructurenw.co.uk/resources/green_streets_ellesmere_port.pdf)

The Green Streets projects aims and principals of community engagement are outlined in this document.

<http://www.merseyforest.org.uk/library/plans/communities/?q=green+streets> Green Streets  
19<sup>th</sup> February 2009.



[www.wirralwatersgreenstreets.blogspot.com](http://www.wirralwatersgreenstreets.blogspot.com)

[www.merseyforest.org.uk/greenstreets](http://www.merseyforest.org.uk/greenstreets)

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Cabinet Report: Setting The Scene For Wirral Waters – A Green Infrastructure Investment Framework <a href="http://democracy.wirral.gov.uk/mgConvert2PDF.aspx?ID=20220">http://democracy.wirral.gov.uk/mgConvert2PDF.aspx?ID=20220</a>	1 <sup>st</sup> Sept 2011
Planning Committee Approval: Wirral Waters Outline Planning Permission (Section 4.4 Public Realm, Landscaping and Open Space) <a href="http://democracy.wirral.gov.uk/documents/s14653/Wirral%20Waters%20Planning%20Application.pdf">http://democracy.wirral.gov.uk/documents/s14653/Wirral%20Waters%20Planning%20Application.pdf</a>	3 <sup>rd</sup> Aug 2010

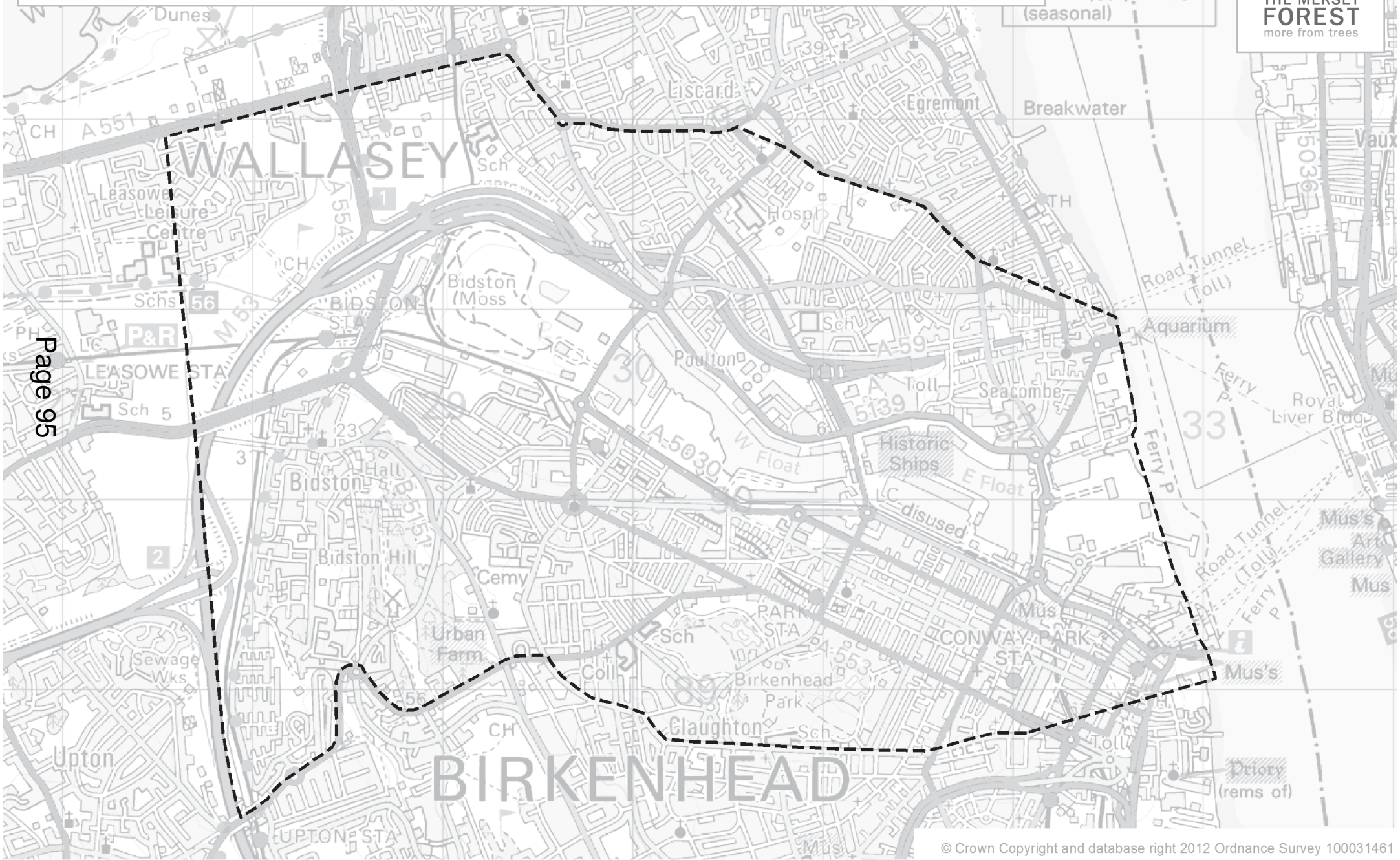
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# Appendix A

WIRRAL WATERS GREEN STREETS AND GREEN INFRASTRUCTURE - DELIVERY AREA AND AREA OF INFLUENCE



VEHICLE FERRY  
M LIVERPOOL TO  
glas (Ship) 4hrs  
glas (Cat) 2½hrs  
in (Cat) 4hrs  
(seasonal)



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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT:</b>	<b>ENVIRONMENTAL STREETSCENE SERVICES CONTRACT 'BREAK CLAUSE' REVIEW</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF TECHNICAL SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR HARRY SMITH, STREETSCENE AND TRANSPORT SERVICES COUNCILLOR BRIAN KENNY, ENVIRONMENT</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The Environmental Streetscene Services Contract is the delivery mechanism for executing Wirral Council's statutory obligations to collect household waste and maintain the cleanliness of the borough's highways and associated open spaces.
- 1.2 The current contract with Biffa commenced in August 2006 and is worth approx £12.5M p.a. It is a 14-year contract currently running in its sixth year and has a 'break clause' at 7 years (August 2013).
- 1.3 This report responds to the recommendations of Cabinet June 21<sup>st</sup> 2012 (Minute 28 refers) and in doing so provides details around the financial benefits and viability of the preferred break clause offer as well as the risks and service considerations associated with delaying the Break Clause decision for a further 3.5 years and accepting the associated savings package proposed by Biffa. Fundamentally, this report offers Elected Members an opportunity to examine risks and benefits of accepting the break clause offer in favour of re-tendering, to ensure that the decision made around the future of the Environmental Streetscene Contract gives due regard for achieving value for money.
- 1.4 A number of documents appended to this report contain sensitive commercial information related to the management accounts of Biffa PLC. In order to protect the commercial competitiveness of Biffa's position in the waste management market and to ensure the Council and Biffa are not disadvantaged in future procurement opportunities, this information has been classified as Exempt Information from public scrutiny, as set out the relevant paragraph/s of Schedule 12A of the Local Government Act 1972.

## **2.0 BACKGROUND AND KEY ISSUES**

### **2.1 Endorsed Option: Delay of the break clause decision for 3.5 years and removal of the age restriction on the fleet (Value : £706k pa saving)**

This was the preferred option endorsed at Cabinet on 21 June 2012 (Minute 28 refers). A range of offers from Biffa were appraised by Officers and a detailed report by Eunomia Waste Consultants was presented that highlighted the risks and benefits of staying with Biffa in favour of going back out to tender.

This option requires a variation to the contract in order to move the Council's decision over the break clause to April 2016 (with a view to determining the future of the contract from April 2017). This option would enable the Council to retain the flexibility to see out the full 14 year primary term and extend to 21 years should both parties wish to do so, but also enable the Council to consider the procurement opportunities at that time. This offer realises additional fleet depreciation savings. Biffa are prepared to pass on 100% of these savings to the council whilst retaining 100% of the risks associated with using an older fleet. This will include an enhanced maintenance programme and replacement of vehicles where necessary, as well as adequate resourcing for spare vehicles. This option provides the Council with the most flexibility going forward when considering how to "package" its Environmental Streetscene Services in the near future. It will enable the Council time to carry out a full procurement options appraisal and determine whether there is an opportunity and business case to pursue shared services and joint procurement options with neighbouring authorities, as well as carrying out a full review on the costs and benefits of bringing some or all of its services back in-house. This option also means that the Council will optimise its ability to respond efficiently to any legislative changes and waste treatment/disposal requirements in order to meet its statutory obligations around the recycling and treatment of waste. All known risks and opportunities are detailed in **Appendix 1**.

### **2.2 Endorsed option extension: Service change proposals: £498k pa saving (subject to one off costs of up to £80k)**

A further £498k revenue saving has been proposed by Biffa as part of the break clause package as a result of increasing the efficiency of existing resources and reducing the size of their fleet. These significant savings can be achieved with minimal impact to service provision but will require the rationalisation of some services. It is proposed that these changes will be implemented no later than August 2013, after the conclusion of appropriate consultation with service users.

#### **2.2.1 Removal of co-mingled bring sites: £142k saving**

This service is currently extremely high in cost. Biffa only empty paper, cans and tins from bring sites and sites have reduced to from 19 to 16 sites over the contract term. Other materials are collected by private contractors, including textiles and shoes, Tetra Pak and colour separated glass banks. No changes to services provided by these private collectors and charities are proposed at this time. Demand for banks has fallen considerably now all residents can recycle paper and cans at the kerbside. It is also a non-statutory service.

In April 2010, the Biffa contract was varied to remove 50+ on street glass banks and in turn empty the same number of on-street recycling litter bins. However, due to

advancements of technology, the on-street litter recycling bins will be able to be emptied by Biffa's street cleansing vehicles as part of the mainstream contractual services in the near future.

It is proposed that localised consultation is carried out with bring site users (a small proportion of the population) through erecting notices on all banks serviced by Biffa for a period of two months, giving users an opportunity to respond to the consultation process.

Officers consider this to be an underused service where alternative provision is available to everyone and therefore recommend the withdrawal of the service, subject to any considerations arising from the consultation process.

## 2.2.2 Review of the "Exclusion Round: £96k saving

Primarily due to space restrictions, at the time of the multi occupancy recycling rollout in 2009 it was agreed that 100 locations (2266 households) with wheeled bins would remain on a weekly collection of residual waste. The annual cost to the Council for the associated "exclusion round" service is now £96k and pays for an extra 26 collections of residual waste from each location per year.

Officers believe that there is an opportunity to review this with a view to reducing the number of locations dependent on this additional service. At the time of the alternate weekly collection service rollouts, these locations were only given a small number of grey bins, primarily due to space restrictions. Ensuring enough green/grey bin capacity is allocated to each location to allow a move to alternate weekly collections will be the primary focus of this project. Therefore, as an incentive, officers recommend that the Council provide all extra containers required to facilitate the change free of charge to residents.

It is estimated that up to 900 extra wheelie bins will be needed at a cost of circa £29k including delivery. Alternatively, where space for extra bins cannot be made available by the property owners, the Council will recommend to residents that they move to bulk bins. To aid the transition, it is also recommended that the Council cover the capital cost of all waste receptacle changes required. The maximum cost (assuming all sites preferred to move to bulk containers) is £80k.

The Council's Section 46 Policy around the provision of a household waste collection service states that the Council must provide all property owners with 6 months notice so they may provide storage space for the necessary waste receptacles and comply with the policy. However, Biffa have agreed to continue weekly collections at some locations where, after consultation with land owners the Council deems alternate weekly collections to be unviable.

## 2.2.3 Reduction of overall alternate weekly collection fleet size: £200k saving

Whilst the current fleet resources for operation Wirral's core waste collection services is running at reasonable efficiency levels, finishing times, current working practices and tonnage profiles indicate that capacity does exist to reduce the fleet by two vehicles and still service all current properties to current standards. Rationalisation of the current fleet will require extensive consultation with the Biffa workforce and associated Union. However, resulting service changes to the public will not affect service delivery with the

exception of collection day changes to a proportion of households. All households are due to be calendared again in Autumn 2013. This would be brought forward to Summer 2013 if day changes were necessary so the Council would incur no additional publicity costs.

#### 2.2.4 Street Cleansing: £60k saving

Biffa have offered a further reduction in cleansing costs whilst guaranteeing to maintain cleansing standards to the equivalent of an NI195 standard of 8% (litter and detritus), which is the current target associated with the Councils' Corporate Plan. In 2010/11 a reduction of £60k in cleansing costs was also realised through the removal of a mechanical brush sweeper. It is important to note that Eunomia have highlighted that savings of between 5 % and 10% on the Street Cleansing element of the contract would be achievable through a re-tender process (Appendix 3). However, due to the out-put specification and vast scope for localisation of service provision, Eunomia were unable to determine to what extent this level of savings would effect the current high service standards achieved by Biffa. Under the terms of the existing contract, variations can be negotiated to reduce cleansing frequencies and standards. As part of the Council's budget reduction considerations, Members will have the opportunity to request further savings from the street cleansing budget up to an estimated 5%, subject to the reduction of some cleansing services. Alternatively, if the service was to be re-tendered or brought back in house, the current specification could be reviewed in order to remove all non-statutory elements of the service (such as alley way cleansing of un-adopted entries) and reduce cleansing frequencies to provide minimum acceptable standards under the Clean Neighbourhood Act 2005, thereby maximising the savings potential. However, environmental quality is considered to be a high priority amongst Wirral residents and maintaining exemplary cleansing standards is a current Corporate Priority so such radical changes do not necessarily mean the Council will achieve value for money in the eyes of the public.

### 2.3 Price Water House Cooper "Open Book" Review

**Appendix 2** details the findings of an open book review conducted on Biffa accounts to ascertain the legitimacy of Biffa's working figures that determined the "size" of their break clause offers. Direct costs, overhead apportionment and fleet depreciation assumptions were examined in detail. Overall, the investigation undertaken by PWC has highlighted a net understatement of costs by Biffa of up £8k to £28k. This indicates that Biffa's offer has been calculated on the true costs of the contract and the Council can be satisfied that the preferred offer is legitimate.

Biffa have set aside £5k pa per Refuse Collection Vehicle for additional maintenance/refurbishment. PWC have indicated that technical officers would need to take a view on the reasonableness of this figure. Given that Biffa have agreed to carry 100% of the risk of running the vehicles until they are 10.5 years old officers believe that the figure set aside is appropriate. Many of the vehicles will need engine replacements in this time, costing around £18k per refit.

### 2.4 Timescales

The current contractual 'Break Clause' is effective from August 2013. The Council must notify Biffa by no later than 30 August 2012 if our intentions are to terminate the Contract. A decision is therefore sought at this meeting of the Cabinet to ensure this



timescale is met and allow for further scrutiny if required. Failure to do so will result in the contract continuing in its current format until August 2020 and the opportunity to secure £706k of the total £1.2m savings package will be lost.

### **3.0 FUTURE CONSIDERATIONS**

3.1 The Council is faced with meeting challenging savings targets in the next 2 years. It will be forced to consider which services it wishes to continue delivering and to what standard the services are resourced. The Biffa contract primarily delivers statutory services, such as waste and recycling collections and street cleansing of the public highway. However, there is substantial scope to change the way we deliver these services to make essential savings that could protect other services across the Council that are the Council have a legal duty to maintain. Two significant areas of the contract include the garden waste kerbside recycling service and street cleansing. It is important for Members to understand the impact of the recommendations within this report on their future ability to maximise savings potential within these two areas.

#### **3.1.1 Garden Waste Kerbside Recycling Service**

At the 21 June Cabinet, Biffa stated that if they could only be guaranteed 3.5 additional years, then it would not be financially viable for them to offer the Council a separate "garden waste subscription service". This service is an opt-in service available to residents who would like to continue to enjoy recycling garden waste conveniently from their homes in return for a moderate annual fee. However, Biffa have recently indicated that due to the unprecedented success of the scheme in other local authority areas, they are confident that the scheme in Wirral would still be viable provided they could continue to offer the service in the longer term. As this service would not be part of the main Environmental Streetscene Services Contract, officers see no reason why the Council should wish to take this service off Biffa should our contract with them end in March 2017. It will be in the interests of Biffa to maximise take up of the subscription service to reduce operating costs and associated risks and officers believe that it is likely that they would request the Council to subsidise the service in its first year to reduce the cost to the public for a short period in order to encourage sign up. However, the Council would also benefit from this approach as it would minimise the reduction in lost garden waste tonnage that counts towards Wirral's recycling targets.

It is also important to note that Biffa's subscription service is just one of several options to consider when introducing a chargeable service to deliver necessary savings.

#### **3.1.2 Street Cleansing**

The Council currently spend £4.5m pa on keeping the public highways and associated open spaces free of detritus and litter. Wirral have above average cleansing standards when compared nationally and are operating in-excess of the minimum statutory requirements. When considering the Council's future funding priorities, it may be that the resource requirements for this service have to be reviewed. It is therefore important to note that any downsizing of this service would result in a reduction in the available savings offered from Biffa as they would have to absorb potential redundancy costs. However, if the Council chose to retender these services at a reduced scope, the Council would still be expected to take on these costs (or they would be priced by contractors bidding for the new tender). There will be an advantage to continuing with Biffa in that there will have been no new investment on fleet and therefore no penalties

to be passed on from redundant fleet. Obviously, if the Council was in a position to determine the scope of cleansing services within the next three months, any new tender could reflect the new fleet requirements.

The remaining risk that the Council will carry if it continues with Biffa is that savings arising from a reduction in cleansing resources would have to be negotiated with Biffa. It is highly unlikely that Biffa will pass on 100% of the net savings and the Council has no mechanism to enforce this. However, as the preferred option is to delay the break clause decision for 3.5 years (with an option to run this contract until as late as 2027), officers believe this will incentivise Biffa to co-operate with the Council in facing the challenging times ahead.

#### **4.0 RELEVANT RISKS**

Please see Exempt Appendix 7.

#### **5.0 OTHER OPTIONS CONSIDERED**

5.1 Other savings options were considered by Cabinet on 21<sup>st</sup> June 2012 and rejected in favour of the endorsed option (Minute 28 refers). However, should Members not feel able to approve the recommendation(s) within this report, the following course of action must be considered.

##### **5.1.1 Re-tender the Environmental Streetscene Services Contract**

This option has the potential to result in the greatest amount of savings but also carries with it the most risk. In order to retain the quality of existing services, it would be necessary to carefully consider the price/quality specification of any new tender and subsequent evaluation criteria to ensure the Council continued to maximise value for money and minimise the risk of bidders under-resourcing their tenders to provide a competitive edge. Through a procurement market review, Eunomia have indicated that the Council could expect a re-tender process to yield savings between £1.25m and £1.77m whilst still minimising risks around the quality of service provision.

Additional associated risks to re-tendering include:

- Timescales for the end date of the existing contract (August 2013) leaving only 12 months to plan, procure and mobilise a new contract.
- Re-tendering would require a minimum 7-year term to gain adequate market interest. To secure a competitive bid, longer-term contracts are preferred by the market leaders. A commitment to the way we deliver our services over a longer period could limit our ability to respond to future needs and requirements.
- Re-tendering would enable the Council to investigate joint procurement opportunities with neighboring councils. However, this would be unachievable in the restricted time available at this time. A 3.5-year break clause extension provides a realistic timeframe for thoroughly examining our options and consulting other local authorities.
- Timing of the resulting procurement process would carry a number of risks, including the potential negative impact of Wirral Council's current reputation around governance and procurement decisions (HESPE/ PACSPE).

A full analysis of all known benefits and risks of re-tendering at this time are detailed in **Appendix 1**.

The upfront costs of re-tendering (consultancy fees and staffing resource) are likely to be between 150k and 200k. These costs have not been factored into the savings proposed within this report.

### 5.1.2 Contract Uplift Mechanism

In the report presented at Cabinet on 21 July 2012, officers highlighted the compounding impact of RPI applied to the current contract. Re-tendering could examine alternative ways of reducing the burden of inflation to the current position where RPI is applied to all items (currently running at 3.1%). **Appendix 6** details a report from the Director of Finance explaining why RPI was considered the most advantageous contract uplift mechanism at the time of developing the original contract specification. The report, presented for consideration to the Streetscene Options Steering Group concluded that RPI was lower than Baxters, is a single rate, and at the time, was widely used in Local Government budget setting. It was also considered to be more predictable than the Baxter Index. This key decision was reported to Cabinet 1<sup>st</sup> December 2005 (paragraph 2.4).

Any new tendering exercise would enable the Council to examine ways of reducing the burden of annual contract uplifts through the capping or restricting inflation mechanisms on specific items of the contract (especially where the contractor retains some discretion) such as employee costs. Currently, every 1% inflationary rise passed onto the Biffa workforce costs Biffa around £60k per annum and the compounding effects of increased staffing costs, when compared to the public sector trends of recent years means that future tenders will be priced to account for wage costs at the time. In the opinion of officers, the current contract uplift mechanism does not adequately incentivise the contractor to address wage costs. It is therefore in the public interest and the interest of Biffa to work together to facilitate future pay talks with the union that fall more in line with public sector pay awards.

## 6.0 CONCLUSION

6.1 Through an extensive and thorough negotiation process, Officers have secured an advantageous savings package offer from Biffa totalling £1.2m. This report details the resulting savings and strategic benefits of accepting this offer. It also highlights the potential opportunities lost should the Council decide to accept the offer and not go to the market at this time. **Appendix 1** provides a summary of evidence and arguments that support the decision to accept Biffa's break clause offer. The offer has been reviewed in detail by specialist external waste consultants (Eunomia) and accountancy consultants (Price Waterhouse Cooper) and conclude that the offer from Biffa (£1.2m savings) has integrity and provides the Council with value for money whilst at the same time "future proofs" the Council's medium term decision making process with regards to waste strategy requirements and procurement options. It is the view of officers that by delaying the break clause decision until August 2016, the Council will be in an optimal position to decide its waste strategy requirements and resulting procurement options.

## 7.0 CONSULTATION

7.1 Specialist waste consultancy and management accountancy services have been commissioned in order to ensure independent scrutiny and that due regard is taken for

securing the most advantageous outcome for this review in terms of achieving value for money.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are no implications arising from this report.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

9.1 There are no staffing or financial costs arising from the report, should Cabinet accept the officer recommendations. However, should Cabinet reject this recommendation in preference of embarking on a re-tendering exercise costs of up to £200K are likely to be incurred.

9.2 The costs of external consultancy support commissioned for this review have been contained within existing budget provisions within Technical Services. The costs for all associated consultancy work will not exceed £46k.

9.3 The Council is faced with identifying savings over the next two years to address the current projected budget shortfall of £25m in 2013/14 and a further £38m in 2014/15. This would require a 20% reduction in total budget. Therefore a large strategic contract such as the Environmental Streetscene Services contract is expected to be able to contribute significantly to these savings. The total savings package offered for the "preferred option" is £1.2m. These savings will have a part year effect of £0.7m in 2013/14 and a full year-effect in 2014/15.

9.4 This contract is subject to annual inflationary increases based upon RPI (Retail Price Index) applied in August each year. RPI is currently at 3.1%.

9.5 This savings package is proposed as a direct result of negotiations around the 'break clause'. Technical Services intend to propose further opportunities to reduce the overall cost of Waste and Environmental Streetscene services. However future proposals are likely to impact on the range and standard of service provision and therefore would be subject to public consultation and Elected Member scrutiny.

## **10.0 LEGAL IMPLICATIONS**

Please see Exempt Appendix 7.

## **11.0 EQUALITIES IMPLICATIONS**

11.1 In response to changes to subsequent equality legislation, Biffa have confirmed they are compliant with the requirements of the Equalities Act 2010.

11.2 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review is attached –

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/technical-services-0>

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 The officer recommendations within this report seek to maximise the flexibility the Council to respond to strategic waste management changes in order to meet the statutory recycling target of 50% by 2020 with due regard for maximising value for money of any service changes or new initiatives.

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are no planning or community safety implications arising from this report.

## **14.0 RECOMMENDATIONS**

14.1 Cabinet is requested to:-

- (1) Approve the delay of the 'break clause' decision until April 2016 and remove the age restriction of the fleet used to service the current Environmental Streetscene Services Contract, thereby continuing the contract with Biffa until at least March 2017.
- (2) Approve the removal of all co-mingled bring sites (subject to consultation and completion of the associated EIA) by no later than August 2013.
- (3) Request a review of the "Exclusion Round" with a view to adding all properties on this service to the Alternate Weekly Collection Service (subject to consultation and completion of the associated EIA) by no later than August 2013.
- (4) Request that officers bring a further report to this Cabinet, detailing the capital costs required to facilitate the removal of the Exclusion Round, as a result of the consultation exercise (not to exceed £80k).
- (5) Note the revenue savings that have been identified from implementing the preferred option totalling £1.2m and that adjustments to the waste provisions be made to reflect the part year effect of savings in 2013/14 and the full-year affect thereafter.
- (6) Instruct the Director of Technical Services to present a further report to this Cabinet no later than October 2015, outlining further recommendations for the future procurement and service 'packaging' options of waste collection and street cleansing services, to include appraising any opportunities of joint procurement with neighbouring authorities and/or in-sourcing some or all of these services.

## **15.0 REASON FOR RECOMMENDATIONS**

15.1 Implementation of these recommendations will ensure the efficient delivery of the Council's waste management and cleansing services and contribute significantly to the revenue savings required across the Council. In addition, this option will maximise the Council's flexibility to achieve future long-term financial benefits in its goal to meet its statutory obligations and targets around waste management. Failure of the Cabinet to make a decision around the 'break clause' before August 2012 will result in the Biffa contract continuing in its existing form, at its current cost and all negotiation opportunities will be lost.

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**APPENDICES (PRESS EXEMPT – COMMERCIALY SENSITIVE)**

- Appendix 1: Break clause vs. retender risk/benefits comparator table
- Appendix 2: Price Water House Cooper “open book review
- Appendix 3: Eunomia break clause delay risk considerations
- Appendix 4: Biffa letter explaining Biffa Municipal association with Biffa Waste Services
- Appendix 5: Eunomia technical assessment of Experian Risk Reports
- Appendix 6: November 2005 Streetscene options Steering Group briefing note: Comparison of RPI and Baxter Indices
- Appendix 7: Section 4.0 Relevant Risks and Section 10.0 Legal Implications

**REFERENCE MATERIAL**

None.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Sustainable Communities Overview and Scrutiny</b> Environmental Streetscene Services 5 <sup>th</sup> Annual Performance Review	<b>30 January 2012</b>
<b>Cabinet</b> Environmental Streetscene Services Financial Review	<b>12 April 2012</b>
Environmental Streetscene Services “Break Clause” Review	<b>21 June 2012</b>
Future Provision of Environmental Streetscene Services	<b>1 December 2005</b>

## WIRRAL COUNCIL

### CABINET

19<sup>TH</sup> JULY 2012

<b>SUBJECT:</b>	<b>INVESTMENT STRATEGY UPDATE</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION, HOUSING AND PLANNING</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>REGENERATION AND PLANNING STRATEGY</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 This report updates Cabinet on recent activity in relation to the delivery of the Investment Strategy and requests key decisions for a number of projects critical to the delivery of investment strategy partnership activity over the next few months, including Growing Places and Regional Growth Funds, Broadband development and the Mersey Dee Alliance (MDA).

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 Since the re-organisation of the Councils Investment Strategy Team in Autumn 2011, progress has been made on a number of key activities, including partnership development, inward investment and critically, developing key relationships with Government departments. This report sets out a number of key decisions required by Cabinet to progress several strands of activity across the Regeneration, Housing and Planning Department.

##### **Regional Growth Fund**

2.2 Cabinet (12 April 2012, minute 381 refers) noted that the Government had opened a third round of the Regional Growth Fund (RGF) with a closing date for applications of the 13<sup>th</sup> June 2012. The report outlined the objectives and criteria of the Fund, namely to encourage private sector enterprise by providing support for projects with significant potential for sustainable economic growth and which could also create new private sector employment. In addition the Fund aims to help areas with high levels of unemployment and an over dependence on the public sector to make the transition to private led growth. Cabinet agreed that four bids that met the RGF criteria should be developed in partnership with the private sector.

2.3 RGF is highly competitive with only 164 bids out of a total of 956 applications being successful in the first two Rounds. Round 3 will be equally competitive and initial figures indicate that some 409 projects have been submitted with bids totalling £2.68bn for the £1bn available. As a result only those applications evidencing strong fit with RGF criteria are likely to be successful with this particular funding stream.

- 2.4 As part of the application process the Department of Business, Innovation and Skills (BIS) held Expression of Interest meetings with applicants to consider outline bids and to advise on the extent to which they met the RGF criteria prior to full applications being submitted in June 2013. Full applications are then to be considered by an Independent Advisory Panel of business leaders, chaired by Lord Heseltine and recommendations made to a Ministerial Panel which will make the final decisions as to which bids should receive funding.
- 2.5 Four areas were initially identified as potentially meeting the RGF criteria of unlocking private sector investment and creating sustainable local jobs. These were Offshore Renewable Energy, Financial Support for Business Growth, Wirral Waters Buffer Zone and Next Generation Access Broadband. Cabinet (12 April 2012 Min 381) agreed that officers should work with private sector partners to bring forward applications and that authority as to the submission of these bids be delegated to the Director of Regeneration, Housing and Planning in consultation with the Leader of the Council and the Cabinet Member for Regeneration and Planning Strategy.
- 2.6 Detailed work took place on the four project areas and initial outline bids were prepared for the Expression of Interest meetings with the BIS RGF team. Feedback was received on each of the four proposals and it was agreed that the Offshore Renewable Energy and Financial Support for Business Growth had a strong fit to the RGF criteria and were therefore progressed to full application.
- 2.7 Officers will continue to work on bringing forward both of the other projects. With regards to the Wirral Waters Buffer Zone, work will continue on identifying opportunities for strategic land assembly within this area and this will include linkage with the incentives available within the adjacent Enterprise Zone as well as opportunities for ERDF funding. Work will also continue on the delivery of the NGA Broadband project to ensure that Wirral has a world class NGA network to support local businesses.
- 2.8 The RGF Advisory Panel will be assessing the applications over the summer and will make recommendations to the Ministerial Group who will make the final decisions as to which projects will receive funding.
- 2.9 If successful all RGF bids will be required to work through a due diligence process and will be subject to further negotiations with Government. In preparation for this process it is proposed that further work is undertaken to develop the projects further and to ensure that all the necessary programme management, financial and legal processes are in place to meet the due diligence requirements and therefore successfully deliver the programme activity within the RGF timescales. The Council already undertakes these functions in relation to other regeneration projects and it is therefore proposed that this expertise is utilised to ensure that processes for managing and accounting for the funding and ensuring compliance with financial and audit requirements are clearly outlined.

### **Business Planning**

- 2.10 The Director of Regeneration, Housing and Planning is implementing the recommendations of the Scrutiny Review of Green Growth in Wirral (February 2012, reported to Economy and Regeneration Overview and Scrutiny Committee 8<sup>th</sup> March



2012, minute 52 refers) and the subsequent Cabinet report 12 April 2012 (minute 383) through the formation of a major projects and business planning team. This will ensure that the expertise and services available to support businesses can be co-ordinated and integrated. This will mean that at whatever point a business makes contact with the Council they will receive a streamlined and consistent service.

- 2.11 The aim is to fulfil the Council's Corporate Plan objective that Wirral should become the most business friendly Council in the country. A Council which actively supports and encourages companies and investors to 'do business' with us and ensures that the current major investment opportunities are maximised for the benefit of Wirral residents. This would create and reinforce the 'business friendly approach' for Wirral Council and support the timely delivery of the Investment Strategy key priorities.
- 2.12 This report also seeks members support for the creation of a 'Developers Guide' to help give guidance and advice to potential investors and that this will be taken to Planning Committee for approval and endorsement in the near future.

### **Broadband**

- 2.13 Cabinet will be aware that Officers have been exploring a number of options for enhancing broadband coverage in Wirral. The Government has committed to ensuring that the UK has widespread access to Superfast Broadband provision. This is defined as 90% having access to speeds in excess of 24 Mbps. Standard broadband is classed as 2 Mbps and that is the level of broadband required, for example, to use BBC i-player.
- 2.14 Broadband UK (BDUK) is the government department charged with progressing these plans and has £530m of funding to allocate across the country. The Merseyside allocation is £5.4m and is based on the level of existing Superfast provision. There is a need to source match funding and European Regional Development Fund (ERDF) has been identified as a potential source which should also lever in substantial private investment.
- 2.15 In summary, the benefits will be to:
- i. Improve the inward Investment offer and keep the City Region on a par with our competitors;
  - ii. Help improve business productivity and services;
  - iii. Generate additional GVA for the City Region of around £50m;
  - iv. Help bridge the digital divide and provide a platform for the more efficient delivery of public services.
- 2.16 Merseyside submitted a Local Broadband Plan (LBP) on 30 April 2012, which has now been approved subject to resolution of funding issues detailed below. To take the project further an application for ERDF match funding is required and it has been estimated that the cost of making this application per Authority is £6,000. It is likely that it will take approximately 6 months to complete the application and have approval for the ERDF match-funding element. Authorities will need to be able to identify resource to fund other demand stimulation work associated with improving demand amongst residents, helping to improve digital inclusion. This can be accommodated within existing workstreams but will be the subject of a more detailed

report to Members in the future that will outline all options moving forward.

- 2.17 Additionally, a contracting authority needs to be agreed in order for the LBP to move forward. Liverpool City Council is prepared to undertake this role as is the case in other city regions. This is subject to agreement that the costs for undertaking this role will be funded largely through ERDF as approx 80-90% of these costs should be eligible as normal project management costs. Alternatively if this is not the case the costs would need to be shared between the participating authorities. Any non ERDF eligible costs will also need to be funded by the individual authorities as estimated below.
- 2.18 This arrangement would need to be set out in an appropriate legal agreement between all Authorities, which also sets out the joint liability to all LAs arising from any litigation as a result of the procurement process or implementation of the project.
- 2.19 Liverpool would commit to the creation of a team consisting of a Programme Manager, a Programme Support Officer, a Procurement Lead, a Financial Lead, a Technical Adviser and a Legal Adviser. Based upon its experience with similar schemes BDUK recommended the creation of the team for an initial 12 month period although some resource will need to be maintained for years 2 and 3 of the project. Advice has been taken from BDUK on the roles and scale of resource required. The team would work to a project board made up of representatives from all Authorities and would operate using Prince 2 project management principles.
- 2.20 The estimated cost for this is £660k over a three year period. It should mostly (80-90%) be an eligible cost for ERDF and should be reclaimed through that process. Any non-eligible element of this (ie. the remaining 10-20%) would need to be found by individual authorities on a pro rata basis based on the level of BDUK investment in their authority area.
- 2.21 A suggested apportionment is detailed below based on the modelling of expenditure at a district level undertaken for the Local Broadband Plan. It should be noted that it is not possible at this point to be exact about these figures as this is dependant on the outcome of the procurement exercise. However as a guide the Local Broadband Plan would suggest the following apportionment. As Wirral is likely to receive 26-28% of the overall investment (second only to Liverpool) it will be expected to cost a similar apportionment of the costs not covered by grant.

<b>Authority</b>	<b>Approximate apportionment range</b>	<b>Approximate total cost per annum</b>
Knowsley	14-20%	£31k - £44k
Liverpool	29-38%	£64k - £84k
Sefton	10-12%	£22k – £26k
St Helens	4-13%	£9k – £29k
Wirral	26-28%	£57k - £62k

- 2.22 Members are asked to agree the approach set out above in principle and a further report will be brought back to Cabinet with more detail before any arrangements are put in place.

## **Mersey Dee Alliance**

- 2.23 The Mersey Dee Alliance (MDA) is a partnership between Cheshire West and Chester Council, Wirral Council, Flintshire County Council, Wrexham Borough Council and Denbighshire County Council. Merseytravel and the Welsh Assembly Government are also partners.
- 2.24 In 2007, the Alliance was expanded from the partner local authorities to include the North East Wales Authorities consortium and the Welsh Assembly Government. This partnership alliance has now matured into a strategic alliance focusing on common issues across the wide geography of the MDA and has progressed issues relating to economic development and transport, particularly on lobbying relating to Borderlands, the electrification of the Wrexham to Bidston rail link and other strategic priorities.
- 2.25 The involvement of the partners from North East Wales has enhanced the work of the partnership, reflecting cross border issues of the travel to work area. Additionally, the MDA is currently working on a number of projects to strategically support competitiveness across the area.
- 2.26 The MDA subscription for 2012/13 has increased from £6,000 to £7,000 subject to the endorsement of members. This reflects the closure of the North West Development Agency (NWDA) and the subsequent loss of contribution from that organization.
- 2.27 The Alliance remains strategically important to Wirral Council and its relationship with the economic sub region spanning parts of Cheshire and North East Wales.

## **LEP Development**

- 2.28 In June, a report was tabled at the Liverpool City Region (LCR) Cabinet by Knowsley Council which outlined the importance of the advanced manufacturing and emerging science based opportunities within the City Region. In February 2012, the Technology and Strategy Board and the Department of Business Innovation and Skills had published a report setting the scene and future importance of high value manufacturing in the UK. Because of the importance of this sector to the City Region a proposal for undertaking analysis of the sectors, including potential supply chain, challenges and skills capabilities was agreed by the LCR Cabinet.
- 2.29 The scope of the work has been set out and a total cost is estimated at £97,000. The private sector and Liverpool City Region universities are meeting £67,000 of the cost and Local Authorities have been asked to contribute the remaining £30,000.
- 2.30 Advanced manufacturing is an important employment sector in the City Region and particularly within Wirral, and it is recommended Wirral contributes £5,000 towards this.

## **Growing Places Fund**

- 2.31 On 7th November 2011, the Government announced details of the Growing Places Fund (GPF) which will make capital funds available to Local Enterprise Partnerships

(LEPs) to help facilitate economic growth, jobs and house- building in the local area. The funds will come from the Department for Communities & Local Government and the Department for Transport based on allocation by formula, rather than through a competitive process.

- 2.32 In December 2011 the Shadow LEP Board agreed that Liverpool City Council should submit an application on behalf of the LEP to UK for a £12.9m allocation of GPF monies. The application was submitted on 20 December, signed off by LEP chair designate Robert Hough and deputy chair Asif Hamid. In February, Liverpool City Region LEP was awarded £13,192,859.
- 2.33 GPF monies must be used by the LEP to address short term infrastructure constraints that once addressed will allow development to progress and deliver immediate economic benefits (in the form of jobs and / or housing). In other words GPF must be used to fund the provision of infrastructure to unblock developments which are otherwise site ready. It is important to note that GPF cannot be used to provide development finance or as gap funding for a project.
- 2.34 GPF is being delivered through LEPs because Government want the LEP to direct spend towards LEP strategic priorities - but investment must also achieve early economic growth, and deliver jobs and housing. The LEP can decide the balance between economic growth and housing, but there is an expectation that all LEPs will include a significant housing element when making GPF allocations.
- 2.35 GPF guidance made it clear that Government wants GPF to operate as a revolving fund with schemes repaying the cost of the infrastructure over a period of years. Whilst this is not mandatory, Funds that are not revolving are unlikely to be considered for any future GPF resource. GPF will therefore forward fund infrastructure costs but is not a grant and has to be repaid.
- 2.36 On this basis all of the potential GPF schemes put forward for consideration to the LEP Board have undertaken to repay GPF funding, and schemes which could not make that commitment were excluded from consideration. Members should note that schemes are required to commit to repay GPF (in order to create the revolving fund) but it is currently proposed that this operates on a “best endeavours” basis, with no clawback or charge on property that would enable this to be enforced. This approach means that there would be no local authority liability for repayment. However, recent correspondence from the LEP has indicated that they wish to put in place a more binding agreement, but Officers have made it clear that a best endeavours basis is the only option that can be considered at this time as if a developer failed to complete the repayments then the local authority could be liable for repayment. Wirral Council would be the accountable body for any Wirral schemes funded through GPF and officers would seek appropriate legal advice to ensure compliance with relevant processes and procedures including State Aid. A further detailed report will be brought back to Members on this matter.
- 2.37 Following submission of the GPF application a sub-group of the LEP was established to identify potential GPF schemes, draw up criteria to prioritise schemes, and then appraise potential schemes against these criteria. The group initially identified three types of criteria: *Gateway*; *Value for Money* and *Strategic*. Key Gateway criteria, sifted out a lot of initial submissions eg, planning permission, developer funds and period for repayment.

- 2.38 Wirral submitted a number of schemes into this process, but only one fully met the criteria and scored highly enough to be considered. The International Trade Centre was submitted as a project to address the power constraints that exist at the site. The request was for £1.8m of the funding and this was approved, subject to some additional information being required. Part of the submission was to repay the Growing Places Fund using the business rate uplift from the Enterprise Zone, generated by Phase 1 of the International Trade Centre.
- 2.39 Cabinet (14<sup>th</sup> April 2011, minute 396 refers) has previously received a report setting out the key characteristics of Enterprise Zones. One of the key incentives is the local retention of any uplift in the business rate receipts within the boundary of an EZ. The business rate uplift, will be given to the Local Enterprise Partnership in which the Zone is located.
- 2.40 The LEP, at its meeting in April 2012, approved in principle a proposal to share the business rate uplift from the Mersey Waters Enterprise Zone (including both Wirral and Liverpool Waters), 50% to the LEP and 50% to the collecting authority for a period of up to 31<sup>st</sup> March 2015. This is still an in principle decision which needs the LEP to sign off as an Investment Policy at a future meeting as the collecting authority would need to re-invest the 50% back into strategic regeneration activity.
- 2.41 The proposal is that the Growing Places Fund will invest £1.8m into the power supply infrastructure at the International Trade Centre site, to be re-paid by the uplift in business rates that will be retained by Wirral Council. Further work is now required to determine the rateable values for Phase 1 of the ITC, and schedule the repayments and length of time for repayment of the £1.8m.
- 2.43 A further report on the details for the allocation of these resources will be brought back to Cabinet, but this report seeks Cabinet approval to further develop a process based on the principle highlighted above.

### **3.0 RELEVANT RISKS**

- 3.1 **Regional Growth Fund** - If successful the Council would be the accountable body for the Offshore Renewable Energy application and for the Wirral element of the Business Expansion Plan. The Council already undertakes the functions associated with accountable body status in relation to other regeneration projects and it is proposed that work takes place prior to the formal due diligence process to build on this and ensure that clear procedures are fully outlined.
- 3.2 **Growing Places Fund** – subject to state aid clarifications, Wirral Council will be the accountable body for £1.8m of Growing Places Funding invested into the power supply solution at the International Trade Centre site. The monies will be repaid by the new business rate uplift within the ITC phase 1. A major risk would be that this money is invested and the ITC development did not go ahead, but this would be mitigated by a legal arrangement with the developer if this eventuality arises. Legal advice will be required on the state aid matters and also the mechanism for repayment from Peel Holdings.

3.3 As these projects are still developing individual and detailed risk registers will be developed for each of the projects as they progress involving analysis of the identified risks and the actions proposed to mitigate them. These will be reported back to Cabinet when the projects are in a position to seek approval.

3.4 There are some indirect risks associated with non-delivery of the Investment Strategy and its related projects. These relate to poor future economic performance through a failure to realise the Borough's significant economic opportunities and potential. This could mean that Wirral remains an area in which high levels of worklessness and associated inequality exist.

#### **4.0 OTHER OPTIONS CONSIDERED**

4.1 The proposed projects are identified as priority areas within the Wirral Investment Strategy 2011-16.

#### **5.0 CONSULTATION**

5.1 Wirral's Investment Strategy provides the framework for the development of the RGF applications and this has been reviewed following an extensive consultation with partners. The development of the proposals has also been informed by the consultation undertaken as part of the Scrutiny Review of Green Growth in Wirral. Consultation has taken place with a number of private sector partners and through Invest Wirral's Business Forum and the sectoral cluster groups.

#### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 None as a direct result of this report.

#### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 In order to meet due diligence requirements it is likely that specialist legal advice will be needed, particularly on State Aid issues (referenced in para 8.1 below). This would result in a financial implication but this could be met from existing budgets, as would specialist legal advice in respect of Growing Places Funding.

7.2 The proposed projects may involve use of Council assets. Where this is the case further reports will be brought back to Members to ensure that any proposals are compatible with council objectives and achieve value for money for Wirral residents.

7.3 The required funding for the City Region broadband team (up to £62,000 depending on what costs could be met by ERDF) will be met from existing broadband financial allocations that have been agreed by Cabinet previously. The £6,000 for the development of the ERDF bid will also be met from existing resources.

7.4 The increase in the 2012/13 subscriptions for the Mersey Dee Alliance from £6,000 to £7,000 will be met from existing partnership budgets.

7.5 The £5,000 contribution towards the costs of the analysis of the Advanced Manufacturing sector within the Liverpool City Region will be met from existing resources.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 The projects identified within this report are all subject to State Aid rules and any proposals taken forward for funding will need to ensure compliance with State Aid and De minimis rules. State Aid rules exist in order to prevent any form of aid to a commercial undertaking distorting, or threatening to distort, competition within the European Community. However, a number of block exemptions are in place which enable support to be given in areas such as developing disadvantaged regions and promoting small and medium sized enterprises as this is considered to be in the common interest of the EU and is therefore allowed where required. Expert legal advice will be taken to ensure that the applications put forward are compliant with State Aid.
- 8.2 The further development of projects will need to ensure that where relevant there is compliance with the obligations arising under the Bribery Act 2010 which came into force on the 1<sup>st</sup> July 2011.
- 8.3 Participation in any City Region approach to broadband activity is subject to specialist legal advice. Any arrangement would need to be set out in an appropriate legal agreement between all Authorities, which also sets out the joint liability to all LAs arising from any litigation as a result of the procurement process or implementation of the project
- 8.4 Relevant legal advice will be sought for the specific matters raised in this report.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Has the potential impact of your proposals been reviewed with regard to equality?  
(a) Yes and the impact review can be accessed at:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010-0>

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 The proposed bid for developing the offshore energy sector will support the use and development of renewable energy and enable green innovation and investment. It is anticipated that this activity would support carbon reduction amongst Wirral businesses.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are no immediate planning and community safety implications arising from this report, however planning consent may be required for some of the individual projects. This will be addressed as appropriate through the planning process.

## **12.0 RECOMMENDATIONS**

- 12.1 Cabinet authorises the Director of Regeneration, Housing and Planning and the Investment Strategy Team should ensure that the appropriate processes are in place in order to respond to due diligence requirements should one or both of the RGF applications outlined in the report be successful.
- 12.2 Cabinet authorises Officers to work with LCR partners on a potential structure for a

City Region broadband team to take forward the BDUK opportunities. The potential cost for Wirral will be up to £64,000 which will be paid for out of existing budgets that have been allocated for broadband development.

- 12.3 Cabinet authorises Officers to submit an ERDF application for broadband activity, maximizing EU resources and contribute appropriately to the development of a robust application, the development costs of which will not exceed £6,000.
- 12.4 Cabinet authorises the increase in MDA subscriptions from £6,000 to £7,000 for 2012/13.
- 12.5 Cabinet authorises the contribution of £5,000 towards the costs of an analysis of the advanced manufacturing sector and its supply chains within the City Region.
- 12.6 Cabinet authorises Officers to explore the use of Growing Places Funds which have been nominally allocated to Wirral to invest in a power solution for the International Trade Centre, unlocking significant development. The funding is proposed to be repaid via the business rate uplift within the Enterprise Zone which has been allocated, in principle, back to Wirral by the Local Enterprise Partnership for strategic economic development.

### **13.0 REASONS FOR RECOMMENDATIONS**

- 13.1 The Investment Strategy sets out an ambitious vision for Wirral to secure its economic future by attracting investment and creating sustainable jobs for the people of the Borough.
- 13.2 The projects identified within this report will assist in promoting economic development within the Borough and provide employment opportunities for Wirral residents. Improved broadband access within the Borough will improve business competitiveness.

### **REPORT AUTHORS: Sally Shah/ Alan Evans/ Hayley Crook**

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### **APPENDICES**

The Investment Strategy 2011-16 Wirral Council website <http://www.wirral.gov.uk/my-services/business/investment-strategy>

### **REFERENCE MATERIAL**

Liverpool City Region Offshore Energy 2010  
Technology Innovation Centre Application to the Technology Strategy Board 2011

### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet – Regional Growth Fund</b>	<b>12<sup>th</sup> April 2012</b>



<b>Economy and Regeneration Overview and Scrutiny Committee - Green Growth in Wirral</b>	<b>8<sup>th</sup> March 2012</b>
<b>Cabinet – Investment Support Services Framework</b>	<b>23<sup>rd</sup> June 2011</b>
<b>Cabinet – Targeted Inward Investment Activity</b>	<b>21<sup>st</sup> July 2011</b>
<b>Cabinet – Investment Strategy</b>	<b>21<sup>st</sup> July 2011</b>
<b>Cabinet - Enterprise Zone</b>	<b>14<sup>th</sup> April 2011</b>
	<b>9<sup>th</sup> December 2011</b>

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## WIRRAL COUNCIL

### CABINET

19 JULY 2012

<b>SUBJECT:</b>	<b><i>LOCAL DEVELOPMENT FRAMEWORK FOR WIRRAL – CORE STRATEGY – PROPOSED SUBMISSION DRAFT</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>DIRECTOR OF REGENERATION, HOUSING AND PLANNING</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR PAT HACKETT, REGENERATION AND PLANNING STRATEGY</i></b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the policy direction to be contained within a Proposed Submission Draft Core Strategy before the final suite of documents are prepared for publication and submission to Secretary of State for public examination by an independent Planning Inspector.
  
- 1.2 The Core Strategy will assist in the delivery of corporate priorities related to Your Neighbourhood and Your Economy. Once adopted, the Core Strategy will replace the strategic policies contained within the Unitary Development Plan adopted in February 2000 and the Council's Interim Planning Policy for New Housing Development adopted in October 2005, following the proposed revocation of the Regional Spatial Strategy by the Secretary of State.
  
- 1.3 This report sets out the findings of public consultation approved by Cabinet on 21 July 2011 (Minute 80 refers) on draft Settlement Area Policies; recommends that the policy direction indicated in the draft Core Strategy attached to this report is approved in principle to allow the necessary assessments and appraisals to be completed before the final documents are presented to the Council for approval for publication and submission to the Secretary of State; that the Council's Sustainability Appraisal Panel is involved in the preparation of the final statutory sustainability appraisal of the Core Strategy; that the statutory assessment of the Core Strategy under the Habitats Regulations is undertaken by independent specialist consultants under an existing sub-regional contract with the Merseyside districts; that the findings of the remaining evidence base reports on employment, housing, retail, open space and recreation, water and transport are reported back alongside the finalised Core Strategy; and that further internal and external liaison is undertaken to confirm the soundness of the plan and compliance with the newly introduced duty to co-operate.
  
- 1.4 This report also recommends that the Council responds to a request from Sefton Council to indicate that Wirral is unlikely to be able to accommodate additional development to accommodate development needs arising within Sefton (paragraph 8.1 below refers).

## **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The Council's existing Local Plan, the Unitary Development Plan for Wirral, was adopted in February 2000. The Regional Spatial Strategy issued in September 2008 is proposed to be revoked by the Secretary of State. The publication of a new National Planning Policy Framework has introduced a presumption in favour of sustainable development, where the development plan for an area is absent, silent or relevant policies are out-of-date (Cabinet, 12 April 2012, Minute 385 refers).
- 2.1 Initial consultation on the content of a Core Strategy to replace the strategic policies in the Unitary Development Plan for Wirral began in October 2005. Consultation on Spatial Options took place in January 2010 (Cabinet, 26 November 2009, Minute 200 refers), on Preferred Options in November 2010 (Council, 18 October 2010, Minute 36 refers) and on Draft Settlement Area Policies in January 2012 (Cabinet 21 July 2011, Minute 80 refers). Reports of consultation on each stage can be viewed at <http://wirral-consult.limehouse.co.uk/portal>
- 2.2 The next statutory stage is the publication of a Proposed Submission Draft Core Strategy, to allow final representations and comments on the soundness of the Strategy, before the Strategy is submitted for independent examination by a Planning Inspector appointed by the Secretary of State. Copies of any comments received are then submitted alongside the Core Strategy to the Secretary of State, with limited opportunity to make any further changes. The Council will only be able to adopt the Core Strategy if it is found legally compliant and sound by the independent Planning Inspector.
- 2.3 The publication of a Proposed Submission Draft is the last chance for people to comment on the content of the Core Strategy and the Core Strategy must be as the Council would wish to see it adopted before the plan is submitted to the Secretary of State.
- 2.4 The Proposed Submission Draft must also be accompanied by a suite of supporting documents including: a consultation statement, to show how the Strategy has been prepared, who has been involved, the issues raised and how they have been addressed; a statutory sustainability appraisal, to show that the Strategy is the most sustainable option available; a Habitats Regulations Assessment, to show that the proposals will not have an adverse impact on European Sites; as well as any other supporting documents relevant to the preparation of the Core Strategy, such as any accompanying evidence base reports.
- 2.5 As any further changes to the Proposed Submission Draft Core Strategy and its supporting documents would at this stage need to be subject to a further round of consultation before it could be submitted to the Secretary of State, a draft Core Strategy has been prepared for Cabinet approval of the overall policy direction, before additional resources are committed to the preparation of the final documentation, including taking account of the updated evidence base studies detailed in section 5 below. It is, therefore, envisaged that the final documents will be reported to Cabinet in September with a view to seeking approval by Full Council on 15 October 2012.
- 2.6 Members should note that all the documents appended to this report (including the draft Core Strategy) can be found in the Council's web library under "Information Items" and then "Core Strategy - Proposed Submission Draft July 2012"

### **3.0 CONSULTATION ON SETTLEMENT AREA POLICIES**

- 3.1 Consultation on draft Settlement Area Policies for inclusion in the Proposed Submission Draft Core Strategy took place between January and March 2012. A copy of the draft report of consultation is Appendix 5 to this report in the web library. A copy of the documents that were consulted on and the comments received can still be viewed at <http://wirral-consult.limehouse.co.uk/portal>.
- 3.2 The majority of comments received followed similar lines to that already raised at earlier stages in the process, with local residents and amenity bodies seeking additional environmental protections and developers seeking greater flexibility for new development, including urban expansion sites in the Green Belt and a wider range of uses on employment sites. Concern has continued to be expressed at the implications of accommodating increased housing numbers within the urban areas; on a perceived over-reliance on Wirral Waters; the impact of continued housing restrictions on the local economy; and the identification of Hoylake as a district rather than higher level centre.
- 3.3 Newer items included more detailed comments on the implications for flood risk, with regard to employment sites in Wallasey and Moreton, and dock and waterfront sites in Birkenhead; requests to consider the impact of pedestrian and vehicular traffic on level crossings and the potential future designation of additional historic gardens; and further information on the ability of existing water supply and waste water treatment infrastructure to accommodate new development, which is considered in further detail in paragraph 5.15 below.
- 3.4 A summary of the responses recommended is set out in Appendix 1 to this report which can be found in the Council's web library. The changes recommended have already been included in draft Core Strategy attached to this report. Text that had previously been included within the consultation documents to provide additional local context on the choices facing each area has now been removed. The revised Settlement Area policies are now contained within section 8 of the draft Core Strategy.

### **4.0 PROPOSED SUBMISSION DRAFT CORE STRATEGY**

- 4.1 A copy of the latest draft Core Strategy is provided as Appendix 4 to this report in the Council's web library. A briefer summary of the main contents of the document is set out in Appendix 2 to this report in the Council's web library. Members should note that the Delivery Framework and the appendices are still to be completed and there may be consequential amendments arising from the completion of the evidence base studies, Sustainability Appraisal and Habitats Regulations Assessments.
- 4.2 A summary of the most important changes that have occurred since the Council last considered the emerging content of the Core Strategy is set out below, alongside a summary of the main requirements that are still to be completed:

#### **National Planning Policy Framework**

- 4.3 A new National Planning Policy Framework, published by the Government in March 2012 (Cabinet, 12 April 2012, Minute 385 refers), has introduced a significant change in the approach to the planning system, including a presumption in favour of sustainable development (NPPF, paragraph 14 refers) and a more relaxed approach

to the re-use of previously developed sites in the Green Belt (NPPF, paragraph 89 refers). Development that is in accord with the Framework is considered to be sustainable development, which should be permitted without delay.

- 4.4 The Planning Inspectorate is now expecting Councils to include a commitment to the presumption in their Local Plans through the inclusion of a model policy. This policy is now proposed to be included as Policy CS1 – Presumption in Favour of Sustainable Development in section 5 of the draft Core Strategy.
- 4.5 The presumption means that local planning authorities should positively seek opportunities to meet the development needs of their area and that Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole; or unless specific policies in the Framework indicate development should be restricted, such as sites protected under the Birds and Habitats Directives and/or designated as Sites of Special Scientific Interest; land designated as Green Belt or as Local Green Space; designated heritage assets; and locations at risk of flooding or coastal erosion (NPPF, paragraph 14 refers).
- 4.6 The implications of other changes are set out elsewhere within this report.

### **Spatial Priorities**

- 4.7 The Secretary of State originally announced the intention to revoke regional strategies in July 2010. The revocation of the Regional Spatial Strategy for the North West issued by the Secretary of State in September 2008 is, however, still awaiting the outcome of environmental assessments, which were subject to consultation in October 2011.
- 4.8 Until the Regional Spatial Strategy is formally revoked, Core Strategies are still legally required to have regard to the Regional Spatial Strategy. The draft Core Strategy, attached to this report has, however, been prepared on the basis that the Regional Spatial Strategy will have been revoked by the time the Core Strategy has been submitted for public examination.
- 4.9 The revocation of the Regional Spatial Strategy will remove the statutory basis for the spatial priorities focused around urban regeneration which had previously formed the focus of the Council's emerging policies, including the Council's Interim Planning Policy for New Housing Development. The retention of this earlier spatial focus has also been undermined by the closure of the national Housing Market Renewal and Growth Point programmes, in March 2011, which sought to focus public and private sector investment within the Newheartlands Pathfinder Area on the basis of nationally agreed designations supported by the Regional Spatial Strategy.
- 4.10 In the absence of the Regional Spatial Strategy and these nationally designated priorities, the spatial priorities in the Core Strategy need to be justified in their own right, supported by an appropriate evidence base. The spatial priorities in the Draft Core Strategy, therefore focus on those areas of the Borough falling within the lowest 20 per cent of scores within the national Index of Multiple Deprivation (IMD) for England. This would include a wider range of communities than the current definition of regeneration priority areas, by including Woodchurch, parts of Moreton and some of

the outlying social housing estates at Bromborough, Eastham, Noctorum, Prenton and West Kirby. While previous consultation has questioned the ability to deliver the scale of development required to meet the Borough's needs within these areas, it has not questioned the principle of basing a spatial priority on worst 20 per cent of IMD scores. These areas are termed "areas of greatest need" in Policy CS2 - Broad Spatial Strategy in section 6 of the draft Core Strategy.

- 4.11 This revised approach is in line with the approach contained within the Preferred Options Report (Preferred Option 4 – Preferred Broad Spatial Strategy) which sought to focus first on Newheartlands and then on areas of greatest need; and reflects previous consultation responses that indicated that policies for regeneration would otherwise be too narrowly focused. The intention to focus new development towards existing centres and main public transport corridors has also been retained in the Broad Spatial Strategy.
- 4.12 The spatial priorities are now set in terms of the scale and density of development that will be permitted within each type of area (subject to the normal considerations of design, layout, access and so forth), so that medium to high density development will normally be permitted within areas of greatest need, within easy walking distance of an existing centre or a high frequency public transport corridor but only small scale lower density development would normally be allowed elsewhere. References to ceilings and targets have been removed in line with previous consultation responses and the presumption in favour of sustainable development.

### **Employment Priorities**

- 4.13 The spatial priorities for employment have similarly been affected by the closure of the North West Development Agency, in March 2012, previously responsible for the designation of Strategic Regional Sites at Twelve Quays, Birkenhead Docks and Wirral International Business Park. Responsibility for future strategic sites has now been passed to the Local Enterprise Partnership. No clear statement has yet been made on the future status of these sites.
- 4.14 The draft Core Strategy, attached to this report, seeks to continue the focus on the completion of Wirral International Business Park; to reflect the more recent national designation of the Mersey Waters Enterprise Zone; and continued port activity at Twelve Quays, West Float, Cammell Lairds and Eastham. It also provides for continued employment at the existing industrial estates at Moreton, Upton and Prenton (Policy CS2, section 6). Policy CS12 sets out a baseline requirement to provide for up to 164 hectares of land to accommodate new employment development between 2012 and 2028, based on the annual average rate of development over the last 15 years of 8.2 hectares, including an additional five year buffer to facilitate an ongoing range and choice of sites.
- 4.15 Wirral's Investment Strategy aims to accelerate economic performance and deliver a significant uplift in the quantity and quality of the Borough's business premises. The Council's Enterprise Strategy (part of the Investment Strategy), which estimated that raising the Borough's economic activity and business stock towards the regional average would require an additional 55 hectares of land to be developed by 2016. The impact of the recession and the recent slow down in the construction of new employment development over recent years, means that the provision of additional business space and economic revitalisation continues as one of the main challenges

facing Wirral. The Investment Strategy includes specific key projects that are taken account of in the latest sub-regional job 'policy on' forecasts produced by The Mersey Partnership (March 2012). The scale of industrial and office floorspace required to meet the 'policy-on' forecast, translated into land requirements, suggests the need to provide a minimum of 64 hectares between 2012 and 2028.

- 4.16 There has been increasing pressure for other uses, including housing, at Moreton and Upton in particular, through consultation on the Settlement Area policies and the Strategic Housing Land Availability Assessment (see paragraph 4.24 below), on the basis of current trading conditions and a perceived oversupply of employment land. The National Planning Policy Framework now states that policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose (NPPF, paragraph 22).
- 4.17 Policy CS16 – Protection of Employment Land in section 19 of the draft Core Strategy now, therefore, sets out how employment sites will be considered for other uses including housing, to continue to deliver employment on these sites, wherever possible. Other issues related to the existing supply of employment land are considered at paragraph 5.2 below.

### **Housing Land Supply**

- 4.18 The other principal issue to be addressed in the draft Core Strategy is the future supply of land for housing.
- 4.19 The Regional Spatial Strategy, which was prepared before the onset of the recession, expected new housing in Wirral to be delivered at an annual average rate of 500 net additional dwellings to 2021. In the recent recession, this requirement has not been delivered (resulting in a backlog of housing delivery equivalent to an additional 126 net dwellings per year) and clearly has no support from the market.
- 4.20 The latest 2008-based national household projections appear to indicate that a lower requirement could be supported to meet the needs of the existing population, in the region of an annual average of 400 net additional dwellings. Cabinet has already resolved that a figure based on the household projections should be adopted in the period between the revocation of the Regional Strategy and the adoption of the Core Strategy (Cabinet, 2 February 2012, Minute 284 refers). The 2008-based household projections are, however, based on a continued loss of population from the Borough to 2033. Reducing the loss of population or accommodating population growth, for example to further support economic revitalisation, would both require a higher figure to be provided.
- 4.21 The draft Core Strategy, attached to this report, currently shows an annual average requirement based on the 2008-based household projections of 439 additional dwellings between 2008 and 2028 (Policy CS17 – Housing Requirement, section 20). This incorporates future demolitions of 1,427 units and assumes that the population will continue to decline in line with past trends and that the backlog to April 2008 is made up across the remainder of the plan period to 2028.
- 4.22 Newly released ONS 2010-based sub-national population projections now suggest a potential reversal in the decline in population in Wirral, with an increase of 16,000 people by 2028. The projections still show a reduction in working age population and



the increase is almost wholly accounted for by an increase in older people. The implications for the housing requirement in the Core Strategy cannot be assessed until household-based projections are released by the ONS (expected to be later this year) but the revised figures could lead to a further increase in the number of homes that may need to be provided in the final Core Strategy, subject to the publication of initial results from the 2011 Census expected in July 2012.

- 4.23 The National Planning Policy Framework now requires an additional buffer of between 5 and 20 percent to be applied to the Borough's rolling five-year supply of specific deliverable housing sites, to provide for choice and competition in the market for land. Twenty percent will need to be added "where there has been a record of persistent under-delivery" which the Framework does not define (NPPF, paragraph 47).
- 4.24 Experience from independent examinations elsewhere in the country appears to indicate that Planning Inspectors are taking a precautionary approach to future housing land supply and are beginning to apply a 20 percent buffer, even where past delivery has been held back by market conditions rather than housing land supply. A recent Core Strategy Examination in Wigan has shown that Examination Inspectors will delay Core Strategies if this issue is not adequately addressed. The requirement for flexibility has already meant that authorities such as Halton and St Helens have been required to publish major modifications to their core strategies, to allow sites in the Green Belt to be considered, were this found to be needed later on in their plan periods, even where their strategies have been supported by evidence to demonstrate that an ongoing future supply of land was likely to be available.
- 4.25 Due to the impact of the recession on housing delivery (the number of net additional dwellings was only 22 in 2011/12) it would therefore appear prudent to plan on the basis of the worst case scenario and apply a 20 percent buffer, so as to comply with the NPPF's requirements.
- 4.26 The Borough's current housing land supply was included in the Council's Strategic Housing Land Availability Assessment Update for April 2011, which was published for public consultation in February (Cabinet, 3 February 2012, Minute 284 refers). The figures showed a limited five-year supply against the Regional Spatial Strategy, which would depend on all Category 1 sites, small sites and extant planning permissions being fully developed, including greenfield sites, sites within designated Conservation Areas, sites currently designated for employment and sites that would currently be subject to restrictions in the Interim Planning Policy. The provision of sufficient housing land in years 6-10 and 11-15 would also need to rely on these sources. The comments received are summarised at Appendix 3 to this report in the Council's web library.
- 4.27 Previous responses to consultation on the Core Strategy, the Strategic Housing Land Availability Assessment and on the draft Settlement Area Policies have shown continued opposition to the use of previously undeveloped greenfield sites. Accepting this would mean that realising the supply would need to primarily rely on the re-development of surplus employment land and previously developed sites in areas where restrictions on new development were previously in force.
- 4.28 The amended Assessment, which now takes full account of the additional requirements of the National Planning Policy Framework, continues to show a shortfall in housing land supply when measured against the RSS requirement over the five and

ten year periods from 2012, without Wirral Waters. Across the fifteen year period, the amended Assessment demonstrates a potential surplus against the RSS requirement, reflecting the significant capacity of sites that are not currently developable, which are included in Category 3. When measured against the 2008-based household projections, the amended Assessment demonstrates that the capacity identified would be able to accommodate projected household growth within the five, ten and fifteen year periods from 2012, without Wirral Waters.

- 4.29 Applying the NPPF 20 per cent buffer would maintain this position, although it would limit the five-year supply against the 2008-based household projections to a 5.4 year supply, without Wirral Waters.
- 4.30 In response to these issues, Policy CS19 - Housing Contingencies (in section 20 of the draft Core Strategy), sets out the approach to be taken if sites have not come forward for development at Wirral Waters and an ongoing five-year supply cannot be maintained by other sites from within the urban area. Sites would only be considered in the Green Belt as a last resort, and where a rigorous set of criteria had been satisfied. Sites to meet the requirements of CS19 would be allocated in a site-specific Local Plan.

### **Interim Planning Policy for New Housing Development**

- 4.31 The successful refusal of planning applications under the Interim Planning Policy for New Housing Development has been based on housing land supply grounds, while the supply of land with planning permission was sufficient to meet the national requirement for a five-year supply, and the regeneration priorities set out in the Regional Spatial Strategy. The Strategic Housing Land Availability Assessment Update shows that the ongoing supply of suitable urban sites will be severely limited, if the Interim Planning Policy continues to be retained.
- 4.32 The National Planning Policy Framework indicates that local policies will be considered out-of-date where a five-year supply cannot be demonstrated and that the presumption in favour of sustainable development should apply. In the absence of alternative sites within the urban area, the presumption would allow development within the areas previously subject to restrictions, where they can be shown to be sustainable, in terms of access to shops, services and public transport, even with the Interim Planning Policy still in place.
- 4.33 Removing the Interim Planning Policy would allow the Council to retain a measure of control by allowing urban sites outside the regeneration priority areas to come forward for development in line with the existing Unitary Development Plan and could reduce the pressure to provide for development on less suitable greenfield and Green Belt sites in the Core Strategy. This could also allow for an increase in the delivery of new housing, which has slumped in response to the recession, to contribute to economic recovery and jobs.

## **5.0 EVIDENCE BASE UPDATES**

- 5.1 A number of additional studies relating to employment, housing, retailing, open space and recreation, water and transport have been drawing to completion since the Core Strategy was last reported to Cabinet (Cabinet, 21 July 2011, Minute 80 refers):

### **Employment Land and Premises Study Update**

- 5.2 An update of the Employment Land and Premises Study is being prepared by BE Group, which compares past levels of take-up and the latest forecasts for labour supply and job growth. Initial findings from the study indicate that the principal issue is still the need to safeguard existing employment and the quality of future supply.
- 5.3 The final Study will be presented to Cabinet for Council approval, alongside the Proposed Submission Draft Core Strategy in September.
- 5.4 Policies for employment are now contained within section 19 of the draft Core Strategy.

### **Strategic Housing Land Availability Assessment Update (April 2011)**

- 5.5 A update to the Council's Strategic Housing Land Availability Assessment was published for public consultation in February 2012. A copy of the documents that were consulted on and the comments received can be viewed at <http://wirral-consult.limehouse.co.uk/portal>. The responses recommended are set out in Appendix 3 to this report and the principal findings have already been outlined at paragraph 4.25 above.
- 5.6 The final revised assessment will be presented to Cabinet for Council approval, alongside the Proposed Submission Draft Core Strategy in September.
- 5.7 Policies for housing are now contained within section 20 of the draft Core Strategy.

### **Retailing Spending Update**

- 5.8 The Council's retained retail consultants (GVA) have been preparing an update of the assessment of retail capacity and expenditure previously contained within the Town Centres, Retail and Commercial Leisure Study prepared by Roger Tym & Partners in 2009.
- 5.9 The final revised assessment will be presented to Cabinet for Council approval, alongside the Proposed Submission Draft Core Strategy in September.
- 5.10 Policies for retailing and town centres are now contained within section 21 of the draft Core Strategy.

### **Wirral Open Space and Recreation Assessment**

- 5.11 Amendments required in response to the comments received on the Open Space Assessment prepared by Strategic Leisure as part of the former Cultural Services Forward Plan (Cabinet 4 February 2010, Minute 308 refers) have now been addressed by Council Officers. The findings are now presented at Settlement Area-level; include a revised analysis based on the waiting list for allotments; and more detailed information on the supply and use of outdoor sports facilities. The revised Assessment also sets out a preliminary assessment of provision for indoor sport, which shows that the Borough is generally well-provided with a broad range of both public and private facilities.

- 5.12 The final Open Space and Recreation Assessment will be presented to Cabinet for Council approval, alongside the Proposed Submission Draft Core Strategy in September and may be supplemented by the revised Playing Pitch Strategy and Built Facilities Sports Study being prepared by Technical Services with the guidance of Sport England by the end of the year.
- 5.13 Further work has also been completed to minimise the scale of the contract likely to be needed to prepare a green infrastructure strategy, which is now expected to be commissioned during the summer (Cabinet, 13 January 2011, Minute 283 refers).
- 5.14 References to indoor sport have now been included in section 2 and the policies for individual Settlement Areas (sections 9 to 16); and policies for green infrastructure are now contained within section 22 of the draft Core Strategy.

### **Water Cycle Study**

- 5.15 The Water Cycle Study has been prepared by specialist consultants under a joint contract with Liverpool City Council (Cabinet, 14 October 2010, Minute 176 refers). A draft report for Wirral was received from the consultants in October 2011. Comments have been received from each of the main partners but have not yet been received from United Utilities, which means that the study cannot yet be formally concluded. The final report for Wirral, currently being prepared alongside the final report for Liverpool, is expected to be received from the consultants in September. If comments cannot be obtained from United Utilities, the final report may need to be adopted without their input.
- 5.16 The main findings related to wastewater treatment and transmission, water resources and supply, flood risk and drainage include recommendations to ensure that the water environment and water services infrastructure has the capacity to sustain the level and pattern of growth envisaged within the Core Strategy.
- 5.17 In addition to the Water Cycle Study process, information on likely future development has been provided to United Utilities on three occasions. Comments received in response to consultation on the draft Settlement Area policies, nevertheless, appear to indicate that there are likely to be serious issues with the ongoing capacity of the waste water treatment works at Meols and Birkenhead. While there are no issues with the overall amount of water that can be supplied to Wirral, local supply infrastructure will require multiple projects and network reinforcement to deliver the necessary pressure and volumes, particularly to support the delivery of Wirral Waters. It is not yet clear how much of an impact this will have on the future pattern of development and further investigations are ongoing.
- 5.18 It is hoped that the final Study will be available to be presented to Cabinet for Council approval, alongside the Proposed Submission Draft Core Strategy in September.
- 5.19 Policies related to the findings of the Water Cycle Study are currently contained in Policy CS20 – Criteria for New Housing Development (section 20), Policy CS33 – Drainage Management (section 23) and the policies for individual Settlement Areas (sections 9 to 16 of the draft Core Strategy).

## **Transport Modelling**

- 5.20 Mott MacDonald have assessed the transport impacts within the Core Strategy utilising the Liverpool City Region Transport Model developed as part of the Third Local Transport Plan preparation process. Early results from this work indicate that the levels of growth anticipated in the draft Core Strategy are likely to be able to be accommodated within the existing transport network, albeit with increases in traffic flows in Birkenhead Town Centre, Wirral Waters, and the A41 at Tranmere and Bromborough. These results will now be applied to the Council's more detailed East Wirral Traffic Model to identify any more localised infrastructure requirements.
- 5.21 The results of the final study will be reported to Cabinet in September for inclusion in the final Proposed Submission Draft Core Strategy.
- 5.22 Policies for transport are currently contained within section 25 of the draft Core Strategy and in the policies for individual Settlement Areas (in sections 9 to 16).

## **6.0 OTHER SUPPORTING DOCUMENTS**

- 6.1 The Proposed Submission Draft Core Strategy must be accompanied by a statutory sustainability appraisal report, to demonstrate that the duty to promote sustainable development has been taken into account; and a Habitats Regulations Assessment, to demonstrate that the Strategy will not have an adverse impact, either on its own or in combination with other plans or strategies, on designated European Sites.

### **Sustainability Appraisal Report**

- 6.2 The Core Strategy has been accompanied by a sustainability appraisal report at each stage in its preparation, amended in response to previous consultation, to consider the performance of each of the emerging policies against 25 local sustainability objectives. The final report will need to conclude this analysis and must also satisfy the additional requirements of strategic environmental assessment (Executive Board, 12 July 2006, Minute 114 refers).
- 6.3 An independent Sustainability Appraisal Panel was appointed in October 2006, to oversee the appraisal processes undertaken by the Council at each stage of the plan making process. It is therefore recommended that the Panel is again involved in the preparation of the sustainability appraisal report for the Proposed Submission Draft Core Strategy before the final documents are presented to the Council for approval.

### **Habitats Regulations Assessment**

- 6.4 A separate statutory assessment is required to test the impact of the Core Strategy on designated European Sites. An initial Screening Assessment was previously prepared to inform the consultation on the Spatial Option Reports and a fuller Interim Assessment was prepared to accompany the Preferred Options Report. This must now be worked up into a final assessment of the Proposed Submission Draft Core Strategy.
- 6.5 A Habitats Regulations Assessment is a specialist piece of work, requiring the input of nature conservation professionals, which could not be carried out in-house. As the Assessment also needs to consider the potential impacts on designated European Sites outside the Borough boundary, savings have previously been achieved through joint commissioning with the other Merseyside districts, through the Merseyside Environmental Advisory Service (MEAS) the Council's specialist environmental

advisors. It is therefore recommended that monies remaining from this contract, which MEAS advise should be sufficient to complete the final report, are used with a contingency from existing resources set aside within the budget for Regeneration and Planning.

## **7.0 ADDITIONAL LEGAL REQUIREMENTS**

- 7.1 Section 110 of the Localism Act 2011 has introduced a new duty to co-operate, to engage constructively, actively and on an ongoing basis on strategic matters in the preparation of development plan documents in the interests of the sustainable development or use of land, which will need to be addressed before the Core Strategy is published and submitted to the Secretary of State.
- 7.2 The bodies listed in the latest national regulations currently include other local planning authorities, the Environment Agency, English Heritage, Natural England, the Civil Aviation Authority, the Homes and Communities Agency, Primary Care Trusts, the Office of Rail Regulation, Integrated Transport Authorities, Highway Authorities including the Secretary of State, the Marine Management Organisation and Local Enterprise Partnerships. While there is a long history of co-operation with these authorities and public agencies, Planning Inspectors are now expecting evidence of a level of engagement which goes beyond previous notification and consultation procedures. It is therefore recommended that further work is undertaken to engage and seek the agreement of these bodies before the final Proposed Submission Draft Core Strategy is brought back for Cabinet and Council approval, so that an appropriate evidence base can be presented to the independent public examination.

## **8.0 REQUEST FROM SEFTON COUNCIL**

- 8.1 Sefton Council has recently written to the Council under the Duty to Co-operate to consider the potential to meet development needs arising from Sefton within adjoining districts in order to avoid going into the Merseyside Green Belt in Sefton. A copy of the letter is attached at Appendix 6 to this report.
- 8.2 Evidence from the Liverpool City Region Overview Study (Cabinet, 21 July 2011, Minute 76 refers) shows a general trend of out-migration from Liverpool to surrounding neighbours. Interactions between Wirral and Sefton are therefore primarily secondary, in the sense that people moving out of Liverpool are choosing between Sefton and/or Wirral (amongst others) depending on the housing offer available and do not tend to move between Sefton and Wirral directly. This suggests that the potential to meet Sefton's unmet housing needs within Wirral would be very limited. More fundamentally, the Wirral Strategic Housing Land Availability Assessment would suggest that there is likely to be little or no spare capacity within Wirral to accommodate the additional requirements of neighbouring districts.
- 8.3 Travel to work patterns would, again, appear to show a very limited functional relationship between Wirral and Sefton, with the main flows out of Wirral to Liverpool and to Cheshire West and Chester and comparatively minor flows between Sefton and Wirral. While the Wirral Employment Land and Premises Study shows sufficient employment land to meet the Borough's needs in terms of past trends, addressing significant challenges around low wages, low job and business densities and high rates of economic inactivity, worklessness and income and employment deprivation is likely to leave little capacity to meet needs arising from other areas.

8.4 It is therefore recommended that the Wirral Council response to Sefton, whilst confirming assistance with Sefton's consequences study, supports the retention of the Green Belt in order to continue to promote urban regeneration across the sub-region as a whole and would view releasing land from the Green Belt as a last resort, while vacant urban land remains available elsewhere within the urban areas. Secondly, it is recommended that Wirral Council confirms that it will not be able to identify land for development to meet housing and/or economic development needs arising in Sefton.

## **9.0 STATEMENT OF COMMUNITY INVOLVEMENT**

9.1 The Core Strategy has been prepared in accordance with a Statement of Community Involvement that was adopted by Council following public examination on 18 December 2006 (Minute 86 refers). Significant changes to national regulations (in 2008 and again in 2012) mean that the Council's adopted Statement of Community Involvement is now considerably out of date.

9.2 While the Statement of Community Involvement is still a statutory requirement, it is no longer subject to public examination and can be adopted by the Council following statutory procedures including public consultation. It is therefore recommended that the existing Statement is revised to comply with the new requirements and that draft revisions are reported to Cabinet for approval for public consultation later in the year.

9.3 The revised Statement of Community Involvement will only apply to documents prepared once the Core Strategy has been adopted.

## **10.0 ANNUAL MONITORING REPORTS**

10.1 The statutory requirements for annual monitoring, to set out progress on the delivery of local development documents and the extent to which local policies are being achieved, have also recently been altered to allow authorities more discretion in the content and timing of reporting to local communities (Localism Act 2012, section 113, refers).

10.2 In previous years, the Council has published a single monitoring report, once a year in December, for formal submission to the Secretary of State. An annual report no longer needs to be submitted to the Secretary of State and local planning authorities are now required to make any up-to-date information, which they have collected for monitoring purposes, available as soon as possible after the information is collected. The data must, however, still be presented on at least an annual basis.

10.3 In addition, the Government's Open Data policy for local government requires data (unless private or sensitive) to be made available on-line in open, machine readable formats with the ability for the user to interrogate the data so that it can be easily reused by residents, businesses and other interested parties.

10.4 In the future, the information collected for annual monitoring will be influenced by the content of the Core Strategy and will need to be published directly to the Council's website and presented in a different format, including a series of spreadsheets rather than summary data in a single annual report. Proposals for delegating the approval of datasets for future publication will be the subject of a separate report to Cabinet later in the year.

## **11.0 RELEVANT RISKS**

- 11.1 There is a risk that all or parts of the Core Strategy will not be found sound at public examination, which would lead to abortive and additional costs, and could significantly delay the adoption of an up-to-date Local Plan for Wirral.
- 11.2 There is a risk that the revocation of the Regional Spatial Strategy, which has currently been delayed by the preparation of environmental reports, may still not have occurred by the time the Core Strategy is submitted to the Secretary of State, which could affect some of the calculations contained within the Core Strategy, but should largely be mitigated by the continued promotion of urban regeneration and compliance with the newly issued National Planning Policy Framework.
- 11.3 There is also a risk that further alterations may be required to the Core Strategy to take account of any new national household projections and the 2011 Census, which may need to be considered during the independent examination.

## **12.0 OTHER OPTIONS CONSIDERED**

- 12.1 The spatial options for the Core Strategy have been subject to consultation on two previous occasions.
- 12.2 The alternative option of not preparing a Core Strategy would mean that the Council would have to continue to rely on the Unitary Development Plan adopted in February 2000. The national presumption in favour of sustainable development will be held to apply where the development plan is absent, silent or relevant policies are out-of-date (NPPF paragraph 14). It is therefore highly likely that decisions on planning applications will have to be made in the context of the National Planning Policy Framework, with the policies in the Unitary Development Plan carrying weight according to their degree of consistency with the NPPF, assessed on a case by case basis.

## **13.0 CONSULTATION**

- 13.1 The Core Strategy has been prepared in consultation with a wide range of statutory and public agencies; private businesses, landowners and developers; local amenity societies; national interest groups; and members of the public; including Area Forum representatives and the Local Strategic Partnership, in accordance with the Statement of Community Involvement adopted by the Council in December 2006.

## **14.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 14.1 Voluntary, community and faith organisations have been involved at each stage in the preparation of the Core Strategy in accordance with the Statement of Community Involvement adopted by the Council in December 2006 and will have the opportunity to comment on the soundness of the Core Strategy before it is submitted to the Secretary of State.
- 14.2 The Sustainability Appraisal Panel includes representatives from local wildlife and amenity groups.



## **15.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 15.1 The publication of the Proposed Submission Draft Core Strategy is estimated to cost up to £15,000, which can be met from existing resources.
- 15.2 The Employment Land and Premises Study Update will be completed by BE Group for £3,000 (excluding VAT) from an original estimated budget of £6,000 (Cabinet 21 July 2011, Minute 80 refers).
- 15.3 The Retail Update has been prepared by GVA, the Council's retained retail consultants, for £4,412.50 (excluding VAT) from an original estimated budget of £5,000 (Cabinet 21 July 2011, Minute 80 refers).
- 15.4 The Strategic Housing Land Availability Assessment April 2011 Update has been prepared with the Council's in-house resources with assistance from A P Sheehan for £5,100 (excluding VAT) from an original estimated budget of £6,000 (Cabinet 21 July 2011, Minute 80 refers).
- 15.5 The Water Cycle Study, a joint commission with Liverpool City Council, will be completed by Scott Wilson URS for £25,000 (£12,500 per authority, excluding VAT) from an original estimated total budget of £50,000 (Cabinet, 14 October, Minute 176 refers).
- 15.6 The Open Space and Recreation Assessment has been prepared using in-house resources.
- 15.7 Transport modelling has been carried out by specialist consultants procured under the Technical Services Framework Agreement and is currently expected to cost in the region of £50,000 (excluding VAT), funded from budgets in Technical Services
- 15.8 The Sustainability Appraisal will be completed using in-house resources, with the assistance of the Sustainability Appraisal Panel.
- 15.9 The Habitats Regulations Assessment will need to be prepared by independent specialist consultants under an existing joint contract with the Merseyside districts. The remaining budget of £2,523 should be sufficient to complete this report.
- 15.10 The costs associated with supporting the independent examination of the Core Strategy can only be estimated when the scale and nature of the issues likely to be considered is better known but could cost up to £200,000 during 2012/13, which could be reduced by using in-house resources and by reducing the number of areas to which people are likely to want to make submissions.
- 15.11 The provision of net additional dwellings will have implications for the ongoing award of New Homes Bonus, in addition to a wider economic impact and the number and composition of the local population can have significant implications for future Council resources.

## **16.0 LEGAL IMPLICATIONS**

- 16.1 The Council's Constitution requires the publication and submission of the Core Strategy to be approved by Full Council.

- 16.2 The Unitary Development Plan adopted in February 2000 and the Regional Spatial Strategy will remain the statutory Development Plan for Wirral until RSS is revoked and the Core Strategy is formally adopted by the Council following independent examination. Planning applications must be determined in accordance with the Development Plan unless material considerations indicate otherwise. The National Planning Policy Framework is a material consideration and the national presumption in favour of sustainable development will apply when the Development Plan is considered to be absent, silent or relevant policies are out-of-date, which means that planning permission should be granted unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole or specific policies in the Framework indicate that development should be restricted.
- 16.3 Although the Core Strategy will only formally replace the strategic policies contained within the Unitary Development Plan adopted in February 2000 when it has been formally adopted by the Council following independent examination, the weight to be attached to the emerging Core Strategy as a material consideration will increase as each successive stage towards adoption is reached (NPPF, paragraph 216 refers). In the meantime, the approval of the Proposed Submission Draft Core Strategy for publication and submission to independent examination will endorse the content of the Proposed Submission Draft as a statement of Council policy and will supersede the Interim Planning Policy for New Housing Development adopted in October 2005.
- 16.4 The Core Strategy cannot, however, be formally adopted as part of the statutory Development Plan unless it is legally compliant and found to be sound following independent examination. To be sound the Core Strategy must be *positively prepared*, to meet objectively assessed development and infrastructure requirements; *justified*, in terms of being the most appropriate strategy when considered against the reasonable alternatives; *effective*, in terms of being deliverable and based on effective joint working on cross-boundary strategic priorities; and *consistent with national policy*, by delivering sustainable development in line with the National Planning Policy Framework (NPPF, paragraph 182).
- 16.5 Once adopted, neighbourhood planning proposals now being prepared for Devonshire Park, Hoylake, Central Liscard and Greasby, will be required to be in general conformity with the strategic policies set out in the Core Strategy. The resulting Neighbourhood Plans will also be subject to separate independent examination and a referendum in each area, prior to their potential adoption by the Council as part of the statutory development plan.

## **17.0 EQUALITIES IMPLICATIONS**

- 17.1 The Core Strategy has been subject to an ongoing impact review. The policy directions promoted within the draft Core Strategy attached to this report have been developed in line with the previously published Preferred Options. The EIA for the Preferred Options stage can be viewed at <http://www.wirral.gov.uk/downloads/2577>
- 17.2 The Draft Core Strategy includes criteria for considering accommodation for Gypsies and Travellers (Policy CS23, section 20).
- 17.3 The final EIA for the Core Strategy will be submitted when the Proposed Submission Draft Core Strategy comes back to Cabinet for final approval in September.

## **18.0 CARBON REDUCTION IMPLICATIONS**

18.1 The draft Core Strategy includes policies related to the promotion of a more sustainable pattern of development, including measures to promote sustainable design and construction, which could have a significant influence on carbon reduction.

## **19.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

19.1 The Core Strategy will set out the Council's strategic policies for the control of land use and development, which will be used in the determination of planning applications and other decisions under the Town and Country Planning Acts and will replace the strategic policies contained within the Unitary Development Plan adopted in February 2000 and the Council's Interim Planning Policy for New Housing Development adopted in October 2005.

19.2 The draft Core Strategy includes policies related to environmental protection, major accident hazards, pollution, flooding, water management, coast protection, highway safety, anti-social behaviour and crime prevention.

## **20.0 RECOMMENDATION/S**

20.1 That the Proposed Submission Draft Core Strategy attached to this report is approved as the basis for preparing a final document for public consultation and submission to the Secretary of State.

20.2 That the findings of the remaining evidence base reports on employment, housing, retailing, open space and recreation, water and transport are reported back to Cabinet alongside the final Proposed Submission Draft Core Strategy.

20.3 That the Proposed Submission Draft Core Strategy attached to this report is approved for further informal internal and external liaison to confirm the soundness of the emerging Core Strategy and to satisfy the new duty to co-operate.

20.4 That the independent Sustainability Appraisal Panel is involved in the preparation of the sustainability appraisal for the final Proposed Submission Draft Core Strategy.

20.5 That the Habitats Regulations Assessment of the Proposed Submission Draft Core Strategy is undertaken by independent specialist consultants under the existing sub-regional contract with the Merseyside districts.

20.6 That the final Proposed Submission Draft Core Strategy and its accompanying documents are reported back to Cabinet before being submitted to Council for approval for public consultation and submission to the Secretary of State.

20.7 That the Council responds to Sefton Council to indicate that Wirral would not be able to accommodate development needs arising from Sefton based on the comments set out in paragraphs 8.1 to 8.4 of this report.

## **21.0 REASON/S FOR RECOMMENDATION/S**

21.1 To enable the Council to submit an up-to-date Local Plan for Wirral to the Secretary of State for public examination in accordance with the provisions of the Planning and Compulsory Purchase Act 2004 (as amended) and to respond to a request by Sefton Council under the duty to co-operate.

**REPORT AUTHOR: Andrew Fraser**  
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## **APPENDICES**

The following appendices can be found in the Council's web library under "Information Items" and then "Core Strategy - Proposed Submission Draft July 2012"

Appendix 1 – Summary of Proposed Responses to Settlement Area Consultation  
Appendix 2 – Summary of Proposed Submission Draft Contents  
Appendix 3 – Summary of Proposed Responses to SHLAA April 2011 Consultation  
Appendix 4 - Proposed Submission Draft Core Strategy  
Appendix 5 - Draft Report of Consultation on Settlement Area Policies  
Appendix 6 – Letter from Sefton Council

## **REFERENCE MATERIAL**

[Localism Act 2011](#) (part 6 refers)

[National Planning Policy Framework \(CLG, March 2012\)](#)

[Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet (Spatial Options) (Minute 200)</b>	<b>26 November 2009</b>
<b>Cabinet (Preferred Options) (Minute 89)</b>	<b>22 July 2010</b>
<b>Cabinet (Preferred Options - Approval) (Minute 143)</b>	<b>23 September 2010</b>
<b>Council (Preferred Options - Approval) (Minute 36)</b>	<b>18 October 2010</b>
<b>Cabinet (Preferred Options – Report of Consultation) (Minute 80)</b>	<b>21 July 2011</b>

## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Robert Oates

**Email address:** robertoates@wirral.gov.uk

**Head of Section:** David Ball

**Chief Officer:** Kevin Adderley

**Department:** Regeneration, Housing and Planning

**Date:** 24/06/12

### Section 2: What Council proposal is being assessed?

The Proposed Submission Draft Core Strategy.

**Section 2b:** Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

**Yes** If 'yes' please state which meeting and what date

Cabinet 19 July 2012.

The EIA of the proposed Submission Draft Core Strategy will be published on the Council's website at the following location:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>

**Section 3: Does the proposal have the potential to affect.....** (please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

A Borough-wide strategy for the use and development of land that could have ramifications for a whole range of public, private and voluntary and community sector interests.

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4: Does the proposal have the potential to maintain or enhance the way the Council .....** (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:**

**Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?**

**You may also want to consider socio-economic status of individuals.**

**Please list in the table below and include actions required to mitigate any potential negative impact.**

<b>Which group(s) of people could be affected</b>	<b>Potential positive or negative impact</b>	<b>Action required to mitigate any potential negative impact</b>	<b>Lead person</b>	<b>Timescale</b>	<b>Resource implications</b>
Race	<p>The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.</p> <p>Policy CS23 – Gypsies and Travellers, is likely to have a positive impact through the provision of more suitable accommodation.</p>	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.
Gender	<p>The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the</p>	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to	Staff time in producing the Submission Draft Core Strategy.

	Core Strategy comes back to Cabinet for final approval in September 2012.			Cabinet in September 2012	
Disability	<p>The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.</p> <p>Policy CS22 – Criteria for Specialist Housing, and Policy CS42 – Design, are likely to have a positive impact by providing additional accommodation and layouts suitable to provide for all abilities.</p>	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.
Gender Reassignment	The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.
Age	The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September	Staff time in producing the Submission Draft Core Strategy.



	Policy CS22 – Criteria for Specialist Housing, is likely to have a positive impact by increasing the local provision of sheltered, supported and extra care housing.			2012	
Pregnancy and Maternity	The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.
Religion and Belief	The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.
Sexual Orientation	The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.
Marriage and Civil	The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no	None	Forward Planning: Andrew Fraser	The final Proposed Submission	Staff time in producing the Submission

Partnership	negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.			Draft Core Strategy will be reported to Cabinet in September 2012	Draft Core Strategy.
Low Incomes and Worklessness	<p>The policy directions promoted have been developed in line with the previous Preferred Options EIA, which identified that there were no negative impacts affecting this particular group of people. A full EIA of the final Proposed Submission Draft will be undertaken when the Core Strategy comes back to Cabinet for final approval in September 2012.</p> <p>The focus on improving areas in greatest need, defined as areas falling within the lowest 20% of scores within the national Index of Multiple Deprivation in England, is likely to have a positive impact by improving quality of life and employment opportunities.</p> <p>Policy CS21 – Affordable Housing Requirements, should also have a positive impact by providing additional affordable housing.</p>	None	Forward Planning: Andrew Fraser	The final Proposed Submission Draft Core Strategy will be reported to Cabinet in September 2012	Staff time in producing the Submission Draft Core Strategy.

**Section 5a:       Where and how will the above actions be monitored?**

The final revised EIA for the Proposed Submission Draft Core Strategy will be presented to Members in September 2012. The Core Strategy is subject to statutory annual monitoring under the Town and Country Planning Acts.

**Section 5b:       If you think there is no negative impact, what is your reasoning behind this?**

The policy direction identified in the draft Core Strategy is based on Preferred Options which were subject to public consultation in November 2010. The Preferred Options EIA found no negative impacts identified.

The final Core Strategy is expected to apply equally to all people submitting planning applications, irrespective of their status, based on the impact of the development itself in line with planning case law.

**Section 6: What research / data / information have you used in support of this process?**

The policies contained within the Proposed Submission Draft Core Strategy are based on the findings of a Spatial Portrait, informed by socio-economic data collated from national data sets and the Council's Annual Monitoring Report, which has been completed, each year, since 2004/05. This includes information on the broad profile of the Borough's residents and key issues within each of the Settlement Areas across the Borough, confirmed through repeated public consultation.

**Section 7:       Are you intending to carry out any consultation with regard to this Council proposal?**

Yes

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

## **Section 8: How will consultation take place and by when?**

Consultation on the final Proposed Submission Draft Core Strategy will take place in accordance with the Council's statutory Statement of Community Involvement, adopted in December 2006, and will comply with national regulations (issued by the Government in April 2012), be subject to Council approval in October 2012, and should be completed by early 2013.

Before you complete your consultation, please email your preliminary EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.

## **Section 9: Have you remembered to:**

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)**
- b) **Include any potential positive impacts as well as negative impacts? (section 5)**
- c) **Send this EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer for re-publishing?**

## WIRRAL COUNCIL

### CABINET

19<sup>TH</sup> JULY 2012

<b>SUBJECT:</b>	<b>TACKLING WORKLESSNESS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>KEVIN ADDERLEY DIRECTOR OF REGENERATION, HOUSING AND PLANNING</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR PAT HACKETT REGENERATION &amp; PLANNING STRATEGY</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 On 12<sup>th</sup> April Cabinet approved (Minute 387/1) continuation of a worklessness support programme and authorised the Director of Regeneration, Housing and Planning to commence a competitive tendering exercise. The Council commenced the procurement process via The Chest portal on 4<sup>th</sup> May 2012 under the title: Supply of the Working Wirral Programme. The current contract ends on 31<sup>st</sup> August 2012 and is delivered by a voluntary and community sector consortium called The ReachOut Partnership led by Involve Northwest.
- 1.2 In this report members are:
- Advised of the recommendations from the competitive procurement process to select a delivery partner for the worklessness support programme: Working Wirral;
  - Recommended to accept the most economically advantageous tender in terms of quality/price and appoint the supplier to deliver the service on behalf of the Council.
- 1.3 Appendix 1 of this report contains commercially sensitive information regarding a competitive tendering process, the disclosure of which is not considered to be appropriate. Accordingly, Appendix 1 is deemed to be exempt from disclosure under paragraph 3, Part 1 of schedule 12A of the local Government Act 1972 (as amended).

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 As part of a complementary suite of budget policy options for the economy, Members approved the continuation of a worklessness support programme and authorised the Director of Regeneration, Housing and Planning to commence a competitive exercise to tender this contract (Report to Cabinet 12<sup>th</sup> April, Minute 387/1). The current contract ends on 31<sup>st</sup> August 2012 and is delivered by a voluntary and community sector consortium called The ReachOut Partnership led by Involve Northwest.

## 2.2 Procurement Process

- 2.2.1 To ensure compliance with Wirral Council's Contract Procedure Rules, a Departmental Governance Procedure for the procurement was drawn up internally and agreed by legal, finance and procurement teams. This set out, time-lined and assigned departmental roles and responsibilities for:
- Designation of Responsible Chief Officer and Supervising Officer;
  - Developing, preparing and sign off of the appropriate tender documentation (designated to cross departmental group involving legal, finance and procurement);
  - Evaluation of tender documents;
  - Reporting to Cabinet;
  - Contracting.
- 2.2.2 A Pre-Qualification Questionnaire (PQQ) was posted on the Chest portal on the 4<sup>th</sup> May 2012 for the supply of the Working Wirral Programme.
- 2.2.3 121 suppliers expressed an interest in the tender. 22 suppliers submitted a PQQ, 16 suppliers opted out, and 83 did not respond by the deadline of 25<sup>th</sup> May 2012.
- 2.2.4 The evaluation panel assessed PQQ's based on a range of trading and technical criteria including organisational capacity, skills and experience of similar contracts plus a range of information regarding the status of company. The evaluation panel selected 7 suppliers to progress to Invitation to Tender stage.
- 2.2.5 The Invitation to Tender was posted on the Chest portal on 1<sup>st</sup> June 2012. 4 suppliers submitted a tender, 1 supplier opted out, and 2 did not respond by the deadline of 21<sup>st</sup> June 2012.
- 2.2.6 Tenders were assessed on the basis of the most economically advantageous tender with a quality and price ratio set at 70:30. Part of the assessment process included presentations from suppliers conducted over two days on 27<sup>th</sup> and 28<sup>th</sup> June 2012.
- 2.2.7 The model used for assessing the tenders is one that has been approved by the Chartered Institute of Public Finance and Accountancy (CIPFA) as advised by the Council's Procurement section. Procurement attended as technical observers and advisers throughout the process.
- 2.2.8 Tenders achieved an overall quality score assessed against eight weighted specific requirements set out in the ITT, together with the presentation.
- 2.2.9 The tenders achieved an overall price score assessed against three weighted criteria:  
Criteria 1: Total tender price  
Criteria 2: Unit cost per employment outcome  
Criteria 3: Balance of costs (frontline/management staff, participant and delivery)

### 3. TENDER EVALUATION RESULTS

3.1 A Wirral based voluntary and community sector consortium submission, lead by Involve Northwest and titled: The ReachOut Partnership, ranked highest in the overall assessment of returned tenders. Table 1 presents the evaluation results.

Table 1: Tender Evaluation Results

<b>Tenderer</b>	<b>Quality Score (/100)</b>	<b>Price Criteria 1 (Total Price)</b>	<b>Price Criteria 2 (Unit Cost)</b>	<b>Price Criteria 3 (Balance of costs) (out of 5)</b>	<b>Price Score (/100)</b>	<b>Overall Rank</b>
Involve Northwest	79.44	£960,000	£1,514	4	96.39	<b>1</b>
B	47.51	£919,893	£1,597	2.75	90.60	<b>2</b>
C	46.43	£890,597	£1,546	2.50	91.88	<b>3</b>
D	46.62	£960,000	£1,667	2	83.64	<b>4</b>

3.2 Members of the ReachOut Partnership consortium are:

- Involve Northwest (lead body)
- Advocacy in Wirral
- Inclusive Access
- Remploy
- The Social Partnership
- Wirral Change

3.3 The submission from Involve Northwest was comprehensive and thorough. It demonstrated a clear understanding of the issues and needs of the targets groups and was able to clearly demonstrate how it would implement and manage the contract to deliver the stipulated outputs. The tender delivers 10% uplift on the minimum output specification requirement.

Table 2: Tender Specification and Involve Northwest Outputs

<b>Output</b>	<b>Minimum Requirement</b>	<b>Involve Northwest</b>	<b>% Uplift</b>
Participants Engaged	1152	1267	10%
Into Employment	576	634	10%
Sustained Employment (26wks)	374	411	10%

### 4.0 RELEVANT RISKS

- 4.1 The Council will manage the contract delivery performance through existing staff in Regeneration, Housing and Planning who have the expertise and proven track record in managing such programmes.
- 4.2 The Council will manage the contract financial performance through the Group Accountant in the Finance Department.
- 4.3 The Council will scrutinise performance/financial delivery through regular meetings of an officer led group to examine performance; review by internal audit and reporting to Economy & Regeneration Overview and Scrutiny Committee.

4.4 The Council will pay the Contractor 12 monthly instalments in arrears, subject to retention of 5% to be withheld from each instalment. This retention will only be released if the Council is satisfied that targets have been met or all reasonable endeavours have been used to achieve them.

## **5.0 OTHER OPTIONS CONSIDERED**

5.1 All suppliers that submitted a Pre-Qualification Questionnaire or Tender within the required timescale were duly considered.

## **6.0 CONSULTATION**

6.1 The Working Wirral Programme supports Wirral's Investment Strategy priorities developed through extensive consultation with Wirral residents and external partners during the Strategy Refresh in 2011. The Council reviewed economic priorities with local residents through Wirral's Future (2010) and Neighbourhood Planning (2011) consultations; and with strategic partners, including Wirral Economic Development & Skills (WEDS) Partnership; the Investment Board; and Wirral's Business Forum.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 The tendering process allowed for consortia applications. This principle enables smaller organisations, including voluntary, community and faith groups to use their combined expertise to bid to deliver the contract. The tender specification required potential contractors to set out how they would link with Wirral's voluntary, community and faith sector.

7.2 A Wirral based voluntary and community sector consortium submission, lead by Involve Northwest and titled: The ReachOut Partnership, ranked highest in the overall assessment of returned tenders.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

### **9.1 Financial**

An allocation of £960,000 was agreed for procurement of a worklessness support contract to be met from the budget policy option for the economy as detailed in Report to Cabinet 12<sup>th</sup> April, (Minute 387/1). The total contract price submitted by the recommended supplier Involve Northwest is £960,000.

### **9.2 Staffing**

All contract management costs relating to the Working Wirral contract will be met from existing staff resource from Regeneration, Housing and Planning.

## **10.0 LEGAL IMPLICATIONS**

10.1 Given the value of the Working Wirral contract the Council is obliged to follow the requirements of the Public Contracts Regulations 2006. All necessary terms relating to obligations, indemnities and liabilities will also be agreed between the Council and the appointed suppliers.

10.2 Subject to award of the contract to Involve Northwest, there will be no TUPE implications. Involve North West are suppliers of the existing Working Wirral contract due to cease on 31<sup>st</sup> August 2012.



## 11.0 EQUALITIES IMPLICATIONS

- 11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?  
(a) Yes and impact review is attached  
<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>

## 12.0 CARBON REDUCTION IMPLICATIONS

- 12.1 There are no direct carbon reduction implications arising from this report.

## 13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 13.1 There are no direct planning or community safety implications arising from this report.

## 14.0 RECOMMENDATION/S

- 14.1 Cabinet are requested to:
- accept the most economically advantageous tender in terms of quality/price and appoint a consortium led by Involve Northwest to supply the Working Wirral Programme on behalf of the Council to the value of £960,000.

## 15.0 REASON/S FOR RECOMMENDATION/S

- 15.1 These recommendations are proposed to Members to support continuous delivery of worklessness support beyond the current contract end date of 31<sup>st</sup> August 2012. This contract forms part of a complementary suite of activities to reduce worklessness approved by Members as part of budget policy options for the economy.

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### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Tackling Worklessness/Supporting Apprentices In Wirral	12 <sup>th</sup> April 2012

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