



Cabinet

Date: Thursday, 29 November 2012

Time: 6.15 pm

Venue: Committee Room 1 - Wallasey Town Hall

Contact Officer: Mark Delap
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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members of the Cabinet are asked to consider whether they have any disclosable pecuniary or non pecuniary interests in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the 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. WELFARE REFORM - LOCAL COUNCIL TAX SUPPORT SCHEME (Pages 1 - 20)

4. INSURANCE FUND BUDGET 2013/2014 (Pages 21 - 38)

5. ANNUAL AUDIT LETTER 2011/2012 (Pages 39 - 46)

6. LEVEL OF GENERAL FUND BALANCES (Pages 47 - 72)

7. CAPITAL PROGRAMME REVIEW (Pages 73 - 86)

IMPROVEMENT AND GOVERNANCE

8. IMPROVEMENT PLAN - PROGRESS REPORT (Pages 87 - 102)

9. IMPROVEMENT BOARD - KEY MESSAGES

To consider any key messages arising from the meeting of the Wirral/LGA Improvement Board held on 16 November 2012

REGENERATION AND PLANNING STRATEGY

10. EGERTON HOUSE (Pages 103 - 120)

STREETSCENE AND TRANSPORT SERVICES

11. CONTRACT FOR STREETSCENE SERVICES - ARBORICULTURE - 2013 TO 2016 (Pages 121 - 130)

CHILDREN'S SERVICES AND LIFELONG LEARNING

12. WIRRAL YOUTH ZONE (Pages 131 - 154)

13. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)

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

14. 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.

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

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

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

27 NOVEMBER 2012

CABINET

29 NOVEMBER 2012

SUBJECT	WELFARE REFORM: LOCAL COUNCIL TAX SUPPORT SCHEME
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 The Authority is required to establish a Local Council Tax Support Scheme, known as Council Tax Support (CTS) to replace Council Tax Benefit (CTB) from April 2013. This is a key strand of the Government's wider Welfare Reform review. The Scheme also brings with it reduced funding from Central Government, and Wirral needs to consider how to address this reduction in funding.
- 1.2 This report proposes a Local Council Tax Support Scheme to replace CTB for 2013/14 that manages the £3.2 million shortfall in Government funding which is based upon current, and increasing, levels of CTB. There are associated costs that increase the shortfall to a maximum of £3.635 million. In addition, the change also increases the likely level of non-collection of Council Tax by up to £1 million gross / £0.85 million net, and this needs to be included within the Budget Projections for 2013/14.
- 1.3 The Council must approve a scheme no later than 31 January 2013 or the Government default scheme, requiring the shortfall to be fully funded by the Council, will be imposed. Members are asked to approve a scheme to Council.

2.0 BACKGROUND AND KEY ISSUES

CHANGES IN LEGISLATION

- 2.1 In the Spending Review 2010 it was announced that the CTB Scheme would be abolished and a framework for localised support schemes for Council Tax would be introduced and operative from 2013/14. It was also announced that Government support would be reduced by 10% of current year spend. For Wirral the spend is £32 million with an increasing take-up of 1% per annum.

- 2.2 The Local Government Finance Bill (enacted in November 2012) 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 from 2013/14. If not the Government Default Scheme is introduced which requires the Council to fully fund to previous CTB levels.
- 2.3 The Local Government Finance Act 2012 was given Royal Assent on 1 November 2012 and incorporated an amendment from the House of Lords that the CTS schemes will be reviewed after 3 years.

LOCALISED SCHEME – PENSIONERS AND VULNERABLE GROUPS

- 2.4 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 protected from any reduction in Council Tax Support. Pensioners currently account for 41.5% 17,736 of the Council CTB caseload of 42,713. As current charge-payers age, and so meet the criteria, this will increase the numbers being protected. Wirral’s age profile is of an increasing elderly population and no additional funding is provided for this ongoing shift.
- 2.5 The Government have indicated that a local scheme should also look to support to the same level as now other “vulnerable groups”, which are currently not defined, as well as ensuring that the scheme supports the Welfare Reform programme aim of supporting people back into work. Wirral has consulted on whether vulnerable people should be protected under its CTS scheme and 82% of respondents agreed they should be. Members are asked to consider which groups should be considered for inclusion in the vulnerable category. The table shows the cost of this protection which would have to be paid by Working Age claimants (to fund all groups this cost would be £719,000):

Table 1 : Claimant Numbers and Funding the cost of Vulnerable Groups

Group	Numbers	Cost to Working Age claimants	
		£	£
Pensioners	17,736		
Vulnerable *			
Disabled	4,269	618,000	
Disabled Child	657	95,000	
War Pensioners	<u>38</u>	<u>6,000</u>	<u>719,000</u>
Total	22,700		719,000
Working Age	<u>20,013</u>		<u>(719,000)</u>
Total	42,713		0

* Vulnerable for the purposes of the Scheme are people who receive a Disability Premium or who have a disabled child and are in receipt of a disabled child premium and people in receipt of a War Pension. The vulnerable groups under the scheme are as set out in the current CTB scheme.

- 2.6 If pensioners and the vulnerable groups, which equate to 53.1% of the current claimant base, are not worse off in 2013/14 compared to 2012/13 then the Working Age claimants have to bear the cost that the Council decides not to fund. The impact is that the Working Age claimants will pay up to 22% of the Council Tax charge.

FUNDING THE LOCAL COUNCIL TAX SUPPORT SCHEME

- 2.7 The Government will allocate funding separately to billing and precepting authorities, in proportion to their Council Tax charge, to support the provision of Local Schemes. Under the previous CTB arrangements Wirral as the administering authority was fully reimbursed for all awards made. Wirral will now receive 85% of the available funding with the Police and Fire and Rescue Services the balance. The grant is not being ring-fenced to use for the Local Scheme so authorities can decide its scale as long as any statutory levels and protections are met.
- 2.8 The grant will be a reduction of 10% on previous CTB grant funding. It will be based upon the May 2012 caseload and reassessed at November 2012 and will take no account of any ongoing increase in caseload. For Wirral this is currently showing a 1% to 2% per annum increase (the risk is upon the Council 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.
- 2.9 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 determine the level of Council Tax. The new Local Scheme will be viewed as reducing the gross sum due (the same as the Single Person Discount calculation) thus reducing the Council Tax Base. The Council's 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.
- 2.10 As the Council Tax Base and amount to be raised both 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 (£3.2 million for Wirral) the Council Tax level would stay the same.

LOCAL SCHEME CONSULTATION

- 2.11 All Councils are legally required to consult on their proposals for the CTS scheme. Wirral's consultation took place from 3 September to 31 October 2012. Forms were available on line and at Libraries and One Stop Shops and Council staff attended October's Neighbourhood Forums to explain and encourage participation. There was an advert in the local press and a direct email to 7,662 centrally held names which drew 1,158 responses.
- 2.12 This consultation coincided with the "What Really Matters" consultation and there were 1,826 responses which is high in comparison with other Councils. The responses and comments have informed the final decisions made in drawing up the Wirral scheme proposals for 2103/14. The Appendix details the responses with the headlines being:-
- 98% were Wirral residents.
 - 27% were in receipt of Council Tax Benefit/.
 - 40 responses were received from Voluntary Groups, 37 from Registered Providers and 50 from Private Landlords.
 - 82% agreed the Council should protect vulnerable people.

LOCAL COUNCIL TAX SUPPORT SCHEME

- 2.13 The report to Cabinet on 19 July 2012 indicated that Wirral like all Councils was likely to retain most of the elements within the current Council Tax Benefit scheme and this remains the case. However there are some amendments which will mitigate the shortfall in Government grant.
- 2.14 Whilst all software suppliers have stated they will be unable to provide a bespoke system for 2013/14 they are confident that they will be able to deliver Wirral's proposed changes by altering their current CTB system. In respect of administration there will be increased costs of £135,000, made up of
- court fees payable (approximately £35,000),
 - payment processing costs (potentially 200,000 additional payments approximately £85,000) and,
 - postage and stationery costs (£15,000).

Table 2: COSTS OF THE LOCAL SCHEME 2013/14

Details	£
10% reduction in Government Grant	3,200,000
Increasing caseload at 1% per year	300,000
Administration and Court Costs	135,000
Total Costs	3,635,000

2.15 The schemes have been modelled on historical data and whilst subject to change before the year-end will be minor changes within acceptable parameters. The recommended scheme (Scheme 1) is based upon the reduced funding available and Scheme 2 based largely on the recently announced one year transitional protection grant from Government. Scheme 3 is the Government Default Scheme if the Council does not implement its own scheme.

SCHEME 1 – GRANT REDUCTION CONTAINED WITHIN CLAIMANT BASE (recommended as this scheme sees the costs being met)

2.16 In summary, the costs can be met using five proposals detailed after Table 3

Table 3 : RECOMMENDED (SCHEME 1) INCOME TO THE COUNCIL

Details	£
Proposal 1 Award limited to 78%	3,190,000
Proposal 2 Second Adult Rebate	123,000
Proposal 3 Limit Flat Rate Deductions	183,000
Proposal 4 Stop backdating of claims	58,000
Proposal 5 Support based on savings	81,000
Total Income	3,635,000

2.17 Detail of the five items:

- **Proposal 1 - Limit the award of Council Tax Support to 78% of the Council Tax liability**
Rather than the current 100% liability so, at least, 22% of Council Tax will be paid by the Working Age claimants which currently number 20,013. This equates to approximately £4.15 per week to be paid by a couple living in a Band A property and £3.11 or per week for a single person living in a Band A property. Limiting awards to 78% reduces the CTS funding shortfall by £3.190 million.
- **Proposal 2 - Remove Second Adult Rebate**
Currently 389 people are not entitled to Council Tax Benefit on their own right as their income or savings are too high but they can claim Second Adult Rebate because they have an adult living with them who is on low income. The maximum reduction is 25% and the removal of this realise £123,000.
- **Proposal 3 - Flat-rate Non-Dependant deduction at £9.90 per week**
Other adults such as sons, daughters other relatives or friends who live in a claimants house are expected to contribute to bills such as Council Tax. The deduction presently varies from £3.30 to £9.90, depending on the adult's income. This would currently impact on 805 households and realise £183,000.

- **Proposal 4 - Stop backdating of CTS claims**
Currently CTB claims can be backdated for up to 6 months if good cause is shown for not claiming earlier. In the first half of 2012/13 432 claims were backdated. If Wirral only granted CTS from the date of the claim then it will reduce the CTS shortfall by £58,000.
- **Proposal 5 - Limit CTS support to those with savings under £6,000**
Under the current scheme savings between £6,000 and £16,000 are taken into account when calculating CTB. Savings over £16,000 and the claimant will not qualify for CTB. There are currently 119 CTB claimants with capital over £6,000 who would no longer qualify and this proposal will reduce the CTS shortfall by a further £81,000.

Note : Members should be aware that these proposals are not mutually exclusive and some charge payers would face two or more reductions further increasing their Council Tax bill.

**SCHEME 2 – TRANSITIONAL GRANT SCHEME
(not recommended as this only part funds the scheme and this part funding is only for the financial year 2013/14)**

- 2.18 On 15 October 2012 the Government allocated £100 million to help assuage the £500 million removed overall from the national CTB scheme. This transitional payment is only available for 2013/14 so would have to be found by Councils in 2014/15 or claimants would then face a significant increase in Council Tax payments.
- 2.19 Wirral's' share, providing specific conditions were met in relation to its local CTS scheme, is likely to be £747,000 and to receive the grant:-
- The level of Council Tax payable must be limited to 8.5%. The Wirral Scheme 1 proposal has a payable level of 22%.
 - The taper rate used in the scheme not increasing to more than 25%; Wirral had no plans to do this.
 - There is no sharp reduction in support to those returning to work. Wirral had no such plans.
 - Councils would not propose large increases in non dependant deductions. Wirral plans to rationalise all deductions to £9.90 (Scheme 1, proposal 3).

Table 4 : NOT RECOMMENDED (SCHEME 2) COST TO THE COUNCIL

Details	£
Proposal 1 (amended) Award limited to 91.5%	1,235,500
Proposal 2 Second Adult Rebate	123,000
Proposal 4 Stop backdating of claims	58,000
Proposal 5 Support based on savings	81,000
Grant	747,000
Total Income	2,244,500
Council costs are £3,635,000 so shortfall	1,390,500

- 2.20 If Wirral applies for the grant of £747,000 then CTS budget savings of £1,390,500 will have to be identified. Proposals 1 and 3 cannot be actioned so will not deliver the savings from within the local CTS scheme or provide for a 1% increase in caseload for 2013/14. The grant cannot be applied for until after 31 January 2013, when the new CTS scheme will be in place and will be payable in March 2013. Given the criteria and the Council's financial situation applying for the grant is not viewed as the preferred option.

**SCHEME 3 – GOVERNMENT DEFAULT SCHEME
(not recommended as the Council would have to identify savings equivalent to the 10% reduction in Government Grant)**

- 2.21 Failure to adopt a Local Scheme will result in the Government default scheme being imposed upon the Council. This scheme is the current CTB scheme and will require Wirral to fully fund the 10% grant reduction and also the new claimants for 2013/14. Given the financial impact this is not recommended.

IMPACTS OF BILLING AND COLLECTING INCREASED COUNCIL TAX

- 2.22 From April 2013 Council Tax will become collectable from some of the more vulnerable and low income working age residents with many making payment for the first time. Consequently this will impact upon collection rates with a likely drop in collection from the current 97.5% by 0.4% to 1% which equates to between £0.6 million to £1 million gross in 2013/14. The net loss to the Council needs to be reflected in the Budget Projections for 2013/14.

Table 5 : LOSSES ON COLLECTION TO BE FUNDED BY THE COUNCIL

Details	£ Minimum	£ Maximum
Drop in collection	600,000	1,000,000
Preceptors share	90,000	150,000
Loss to the Council	510,000	850,000

- 2.23 A higher percentage of non-payment is inevitable, as previous 100% recipients are presented with a Council Tax bill for the first time - similar to when General Rates was replaced by Community Charge in 1990. 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.
- 2.24 The level of contact will inevitably also increase with volumes of advice support and collection contacts being handled at One Stop Shops / Libraries, Call Centre and Back Office. These are not contacts likely to be handled via the developing self service route. Effective contact will also include trying to direct to other agency and organisations support, albeit they too will be facing this situation with reduced resources.

3.0 RELEVANT RISKS

- 3.1 Whichever Local Scheme is agreed there are the risks around the impact upon both claimants and the Council. For the Council this relates to the collectability of the sums due including the increased administration required to pursue what will be low level debts. The implementation of Scheme 1 will mitigate the costs to the Council although there will be an increase in costs due to the non-collectability of the debts.
- 3.2 If the Council does not adopt a Local Scheme the Government will impose its default scheme, which is the current scheme and it will still have to find the full level of savings and increase in caseload for 2013/14, affecting its budget adversely.
- 3.3 In respect of demographic changes the Council has allowed for a contingency of 1% representing increased claims for 2013/14. This covers the increase in the elderly population. There is an economic risk in that if any large Wirral based employer or one in the surrounding area ceased to trade there could be a considerable increase in the number of claimants. Wirral has to fund increases arising from these changes from its own resources.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 There is 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 This has taken place with precepting authorities, interested groups and the public during the period 3 September 2012 to 31 October 2012 (Council Tax Benefit Is Changing – Have Your Say).. Wirral has satisfied its legal responsibilities around consultation and received a high number of responses from the public.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are ongoing implications for all groups as the impact of the changes are identified and implemented.

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 £3.2 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, from a reduction in awards to current CTB recipients. Depending upon the decision taken there could be increased challenges in collecting the sums due.

7.2 The Localised Scheme options are set out in Section 2 as being:-

SCHEME 1 – GRANT REDUCTION CONTAINED WITHIN CLAIMANT BASE

Recommended as this essentially ensures the Scheme can be funded from within the reduced resources available – see above of which:-

Table 6: COSTS OF THE LOCAL SCHEME 2013/14

Details	£
10% reduction in Government Grant	3,200,000
Increasing caseload at 1% per year	300,000
Administration and Court Costs	135,000
Total Costs	3,635,000

Table 7: INCOME TO THE COUNCIL

Details	£
Proposal 1 Award limited to 78%	3,190,000
Proposal 2 Second Adult Rebate	123,000
Proposal 3 Limit Flat Rate Deductions	183,000
Proposal 4 Stop backdating of claims	58,000
Proposal 5 Support based on savings	81,000
Total Income	3,635,000

The reduction in grant of £3.2 million is met by Working Age Claimants paying Council Tax at 22%, to meet the costs of the increasing numbers of claimants, administration and court costs.

SCHEME 2 – TRANSITIONAL GRANT SCHEME

Not recommended as the Transitional Grant would be £747,000 so the Council would have to find £1.4 million in 2013/14 as well as the costs for the increasing claimant numbers. This grant is only payable for 2013/14 so the Council would have to find further savings in 2014/15, equivalent to the grant.

SCHEME 3 – GOVERNMENT DEFAULT SCHEME

Not recommended as this would require the Council to identify £3.2 million from its own resources requiring alternative savings to be identified.

7.3 There is likely to be a shortfall of up to £1 million gross / £0.85 million net, in income due to these changes as sums are being collected from those who previously did not pay. This shortfall needs to be reflected in the Council Budget Projections for 2013/14, as a reduction in the income from a change in the Council Tax discounts.

7.4 The on-going staffing and IT requirements to administer the new scheme will depend upon the Scheme agreed. In terms of implementation the Government provided £84,000 with an indication that it can be used to support the development of new schemes with £59,000 required to fund the amendments to the current CTB system.

8.0 LEGAL IMPLICATIONS

8.1 The Scheme could be subject to challenge by Judicial Review so once the Scheme is approved this will be prepared in conjunction with the Head of Legal Services.

9.0 EQUALITIES IMPLICATIONS

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

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 Local 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 That it be recommended to Council that:-

- a) Eligible Pensioners and Vulnerable Groups (disabled, disabled child and war pensioners) be protected under the Local Council Tax Support Scheme.
- b) The Local Council Tax Support Scheme proposed for 2013/14 be Scheme 1 with the associated proposals that will see Working Age Claimants meet 22% of the Council Tax payable in order to meet the £3.2 million reduction in Government Grant.
- c) The annual increase in caseload, estimated at 1% (£300,000) per year be included with the Budget Growth Projections for 2014/15 onwards.

- d) The potential losses on collection of £1million gross /£0.85 million net be incorporated within the Council Tax Base calculation and that this reduction in Council Tax Income be reflected in the Budget Projections for 2013/14, funded from the change in the Council Tax discounts.
- e) Thanks are extended to those residents who participated in the Council Tax Benefit consultation in ensuring the consultation was meaningful.

13.0 REASONS FOR RECOMMENDATION

13.1 The Council is required to adopt a Local Council Tax Support Scheme for implementation in 2013/14 and this report enables Overview and Scrutiny Committee and Cabinet to consider the proposed Scheme and constituent proposals and for making recommendations to Council.

REPORT AUTHOR: Malcolm Flanagan
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REFERENCE MATERIAL

National statistics - 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
Cabinet	19 July 2012

CONSULTATION ON CHANGES AFFECTING COUNCIL TAX

BENEFIT FROM 1 APRIL 2013

The Consultation Period was 3 September 2012 to 31 October 2012 and 1,826 people responded to the 12 questions asked in response to the Government changes. Respondents were asked if they Strongly Agreed, Agreed, Neither Agreed nor Disagreed, Disagreed or Strongly Disagreed.

For this exercise responses have been grouped into Agree or Disagree

- | | | | | | |
|---|--|-------|-------|----------|-------|
| 1 | The Council should look to increase the amount of money raised from households and increase charges for everyone. | Agree | 19.1% | Disagree | 67.1% |
| 2 | The Council should raise the amount of Council Tax by increasing the charges on Second Homes and Empty properties. This would allow the Council to make no changes to the Council Tax scheme. | Agree | 83.3% | Disagree | 9.5% |
| 3 | The Council should make no changes to the Council Tax Benefit scheme and instead make further cuts to services to fund this specific change. | Agree | 18.0% | Disagree | 61.1% |
| 4 | Currently when someone who has been unemployed for a long time then starts work they continue to receive the same level of benefit for an extra 4 weeks, regardless of their income. Last year this cost the Council £81,000. Should people receiving Council Tax Support continue to get the same level of support for a 4 week period once they have started work to help pay for their Council Tax? | Agree | 42% | Disagree | 45.7% |
| 5 | The Council should implement the Government guidance and cut the amount of Council Tax Benefit award to working age claimants. Should the Council do this? | Agree | 49.7% | Disagree | 29.3% |
| 6 | The Council should consider reducing the eligible level of support to a maximum percentage, for example 80%. This would enable the Council to reduce its spending by approximately £3 million. Should the Council do this? | Agree | 56.6% | Disagree | 24.5% |

7 As well as protecting pensioners, the Council has a requirement to define and protect vulnerable people who are genuinely unable to work. If we do protect some vulnerable claimants then we need to make larger reductions in the support given to other working age people. We have defined our vulnerable adults as people who are disabled, have a disabled child or a recipient of a War Pension. Do you agree the Council should protect vulnerable people?

Agree 81.6% Disagree 9%

8 Some single customers are not entitled to Council Tax Benefit in their own right because their income is too high or they have too much savings. However they can claim Second Adult Rebate because they have an adult living with them who is on a low income. They can get up to 25% off their bill. By removing Second Adult Rebate would enable the Council to reduce its spending by approximately £123,000. Should people who receive this rebate be asked to pay more?

Agree 70.8% Disagree 15.3%

9 Under the existing Council Tax Benefit scheme other adults such as a grown up son, daughter, other relative or friend who lives in a claimant's home are expected to contribute to household bills, such as Council Tax. If Wirral introduced a standard non-dependant deduction set charge for example £9.90 this would reduce spending by more than £183,000. Should all working age people who have non-dependants living with them be asked to pay more?

Agree 65.9% Disagree 22.4%

10 Currently Council Tax Benefit awards can be backdated for up to 6 months if the claimant can show good reason why they did not claim from an earlier date, If Wirral awarded benefit from the date of the application only; it would reduce spending by approximately £58,000. Should Wirral continue to back date claims?

Agree 41.4% Disagree 43.8%

11 Under the current scheme a person's savings are taken into account when calculating Council Tax Benefit if they are over £6,000, in the new Council Tax Support scheme, Wirral proposes not to offer any support to claimants who have savings over £6,000. By doing so Wirral would reduce its spending by approximately £81,000. Should the Council do this?

Agree 54.0% Disagree 32.5%

12 The Council should have a Discretionary Support Fund to support and reduce the Council Tax bills of people suffering genuine and exceptional hardship, because of the changes being made to Council Tax Benefit. Should the Council have a Discretionary Support Fund?

Agree 78.6% Disagree 10.5%

There were 499 comments that were considered as part of the overall analysis and formulation of the proposed scheme.

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
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 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 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
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 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 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 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 via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**

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WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT	INSURANCE FUND BUDGET 2013/14
WARDS AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the elements which make up the Insurance Fund, the cost of running the Risk & Insurance Section and the Budget for 2013/14 as the Insurance Fund is one element of the Council budget setting process.
- 1.2. There is a net increase in costs of £44,000 in 2013/14. However, as the 2012/13 increase was offset by the use of the Budget Surplus Reserve the increase is £180,000 (£141,000 for General Fund services and £39,000 for Schools). There is also the return of £529,396 of Fund balances back to Council General Fund balances.

2. BACKGROUND AND KEY ISSUES

INTRODUCTION

- 2.1. Under the provisions of the Local Government and Housing Act 1989 Local Authorities are allowed to set aside financial provisions to cover self-insured losses.
- 2.2. By self-insuring an Authority avoids paying insurers' administration, profit margins and Insurance Premium Tax on predictable levels of claims. Furthermore only rarely do external insurers return any premium irrespective of the profits generated by a policy.
- 2.3. Wirral Council has operated an Insurance Fund since its formation and was one of the first local authorities to adopt a high degree of self-insurance when large excesses on liability and material damage insurance were negotiated in the 1980s.
- 2.4. Self-funding is a fundamental element of the Risk Management Strategy. It provides a greater incentive to deal with risk more effectively since any reduction in claims directly benefits the Authority.

RISK MANAGEMENT

- 2.5 To achieve overall best value in funding insurable losses a mixture of external and self-insurance is needed.
- 2.6 The Authority wholly self-insures those risks that have the capacity to generate low value losses. In respect of risks that have the potential to produce catastrophic losses, the Council undertakes to meet the cost of all claims in any given year up to an agreed figure. Insurers meet all costs above this sum.
- 2.7 External insurance premiums are met by the Insurance Fund and are recharged to departments together with self-insurance premiums.

SELF FUNDED RISKS

- 2.8 Detailed below are the principal risks which the Council currently self-insures together with the maximum sum the Council might have to pay for losses in any given financial year. These sums are unchanged from last year. It should be noted that expenditure in respect of such losses will be spread over several subsequent years.

2.9. TYPE OF INSURANCE	ANNUAL AGGREGATE DEDUCTIBLE
Combined Liability	£2,500,000
Material Damage & Business Interruption (Fire)	£ 500,000
Material Damage & Business Interruption (Storm/Flood/Burst Pipes)	£1,000,000
Comprehensive Motor	£ 200,000
Fidelity Guarantee	£ 25,000
Loss/Damage to Equipment	Unlimited
Glazing (Schools)	Unlimited

INSURANCE CONTRACTS

- 2.10. The premiums charged in recent years in respect of the three principal risks covered by the Insurance Fund are:-

a. COMBINED LIABILITY

This policy was last tendered in 2010. The contract was awarded for 3 years with an option to extend for a further 2 years. The tender resulted in sharp reductions in both the premium and claims handling costs and a decrease in the level of the self-insured retention. This enabled the Insurance Fund contribution to be reduced in 2011/12 before increasing by £50,000 in 2012/13 to reflect growth in claims numbers and handling costs. It will remain unchanged, at £1.55 million, in 2013/14. However, growth in the number of claims means that handling charges are expected to increase by £22,000.

Zurich Municipal has also advised that because of increasing reinsurance costs if the contract were to be extended the Public and Employers Liability element of the premium would need to increase by approximately £25,000. Despite this the premium would still be substantially lower than under the previous contract and the Council's claims record is now much less favourable than it was in 2010 because of a cluster of Employers' Liability claims and one specific catastrophic personal injury case. In my opinion if the Council took the decision to re-market the Liability Insurance contract at this point because of the proposed increase in premium it would actually result in a higher cost than accepting that increase. I have therefore given my officers authority to confirm to insurers that the Council will accept the increase.

Year	Premium	
	External Insurance*	Insurance Fund
	£000	£000
2008/09	261	3,200
2009/10	270	2,800
2010/11	285	2,100
2011/12	149	1,500
2012/13	155	1,550
2013/14	175	1,550

* Exclusive of claims handling charges.

b. **MATERIAL DAMAGE & BUSINESS INTERRUPTION**

The material damage policy was tendered in 2008 resulting in an extension of cover to include damage from storm, flood, burst pipes and business interruption losses. The Long Term Agreement for this contract expires on 29 June 2013 requiring an OJEU compliant tender process to be conducted. Whilst this creates greater uncertainty for the estimates it is expected that premium rates will remain broadly in line with the current contract. The ongoing removal of buildings through the conversion of schools to Academies and the asset rationalisation programme together with a moderation in forecast rebuilding costs is containing any increase in the sum insured. The tender does provide an opportunity to explore the potential for reducing premiums by increasing the level of self-insurance and/or removing the additional cover introduced in 2008. Any such proposals would be put to Cabinet for a final decision. The Estimate 2013/14 assumes no change in the level of self-insurance or the extent of cover so no change in the Insurance Fund contribution is forecast. There are no claims handling charges for these classes of insurance. The Risk & Insurance Team handles claims for these policies within existing resources.

Year	Premium	
	External Insurance	Insurance Fund
	£000	£000
2008/09	382	340
2009/10	384	330
2010/11	333	300
2011/12	329	300
2012/13	312	300
2013/14	311	300

c. COMPREHENSIVE MOTOR

This policy was placed with Zurich Municipal on 1 April 2009, following a competitive tender. An option to extend the Long Term Agreement on existing rates through to 31 March 2014 was taken up earlier this year. A small reduction in the size of the fleet means that estimated premiums for next year are lower than that estimated for 2012/13. The Insurance Fund contribution is reviewed annually and as the claims experience remains stable no change is proposed for 2013/14.

Year	Premium	
	External Insurance **	Insurance Fund
	£000	£000
2008/09	49	81
2009/10	50	90
2010/11	44	65
2011/12	35	70
2012/13	33	70
2013/14	30	70

** Exclusive of claims handling charges.

OTHER

- 2.11 In addition to the three main classes of insurance the Authority also procures external insurance for a number of smaller risks. The Long Term Agreements for four of these - Money, Fidelity Guarantee, Museums, All Risks and Personal Accident/Business Travel also expire on 29 June 2013. The tender exercise for these risks will explore potential opportunities for reducing costs by increasing the level of self-insurance and/or restricting cover. However, the budget has been prepared on the assumption that no such changes will be made.

- 2.12 A range of other risks including loss of equipment and damage to glazing are fully self-insured. These generate modest losses and internal premia are relatively small. Improved management of equipment claims led to claims costs falling from over £100,000 in 2004/05 to less than £20,000 in 2010/11. The cost for 2011/12 rose to around £44,000 mostly due to a single large claim.
- 2.13 In relation to Engineering Insurance and Inspection I have previously investigated the possibility of restricting the contract to only those categories of plant for which inspection is a legal requirement. For non-statutory plant information from maintenance and service visits would have been used to identify and act on potential defects. Subsequent investigations indicated that in some areas the management regime around maintenance and servicing was not robust enough to be relied upon as the sole source of information on possible defects. Without improvement there was a risk that hazardous defects would not be identified and rectified. In view of this all items remain on the contract at present and I estimate that the cost of inspecting plant for which there is not a formal legal requirement is approximately £33,000. There would be costs associated with implementing any alternative regime for identifying potential defects.

RESERVES AND PROVISIONS

- 2.14 Many claims are not settled within the financial year in which they arise. In the case of legal liabilities, claims may not even be reported in the year in which an incident occurs. Thus the total cost of all claims relating to a given year will be spread over several subsequent financial years. The increased rate of submission of historic claims in recent years has been sustained.
- 2.14 Provisions have to be made in respect of losses previously incurred but which will be settled in future financial years. Without such provisions the Council would not have the funds available to meet these future claims costs.
- 2.15 The provisions are based on claims data held by the Risk & Insurance Team at the end of each financial year. After rising between 2001/02 and 2004/05 they have fallen significantly every year since 2005/06. This has been regularly reported to Cabinet and has enabled around £16 million to be returned to the General Fund balances since 2005/06 to support the delivery of Council services.
- 2.16 An actuarial funding study is usually undertaken by professional actuaries every two years to evaluate whether the sum held to meet liability losses is sufficient and also the sum needed to be invested to meet the costs of current claims. In the intervening years a self-evaluation is undertaken.

- 2.17 An external review would have been commissioned to examine the liabilities incurred as at 31 March 2012 but the relative stability of the account did not warrant the £6,500 cost. A further self-evaluation was undertaken and reported to Cabinet on 21 June 2012. As a result of improvements in the loss history for Property and Motor Insurance there was a surplus of £166,000 within the Insurance Fund which was released to balances in 2012/13.
- 2.18 Another review of reserves and provisions has recently been undertaken and I am recommending a further release of funds. Continuing improvements in the claims experience for Motor and self-insured risks mean that the Motor and Wholly self-insured claims sums can be reduced. The sum set aside for the cost of handling uninsured liability claims can also be lowered. Under Risk Management there is the release of resources set aside for improving pathways and hard surfaces around cultural services facilities as this can no longer be justified for retention within the Insurance Fund.

Category	Reserves and Provisions		
	Position 31/03/12	Proposed Revision	Proposed for Release
	£	£	£
Combined Liability	8,286,243	8,286,243	0
Property (including fire)	2,500,000	2,500,000	0
Motor	250,000	200,000	50,000
Civil Contingency (funds improvements in resilience to service disruption)	1,500,000	1,500,000	0
Risk Management (supports individual risk improvement initiatives)	348,000	150,000	198,000
Uninsured Liability (funds historic claims where the insurer cannot be traced or is insolvent)	2,417,514	2,239,450	178,064
Wholly self-insured claims (such as plate glass and equipment)	277,830	174,498	103,332
Total	15,579,587	15,050,191	529,396

ADMINISTRATION AND MANAGEMENT

- 2.19 In addition to promoting the effective management of risk within the Authority the Risk and Insurance Team places and administers all external insurance policies, manages the Insurance Fund and oversees the handling of all claims. The balance of work has altered with greater emphasis now being placed on risk management activity and increased support for schools.
- 2.20 The costs of the Risk & Insurance Team are charged to the Insurance Fund and are recharged in the form of a percentage overhead on insurance costs. For 2013/14 the relevant percentage will be approximately 8.6% which is similar to the percentage for 2012/13. The income from the service offered to Academies, which cannot be covered under the Council policy, continues to help off-set the Team's costs.

2.21 Administration and Management costs for 2013/14 compared with 2012/13:-.

Item	2012/13	2013/14
	£	£
Staffing & overheads	265,500	259,000
Insurance Brokers	12,500	12,500
Actuarial study	* 6,500	6,500
Income from Academy schools	-42,500	-35,000
Total	242,000	243,000

*It had been expected that an external actuarial study would be undertaken in 2012. As indicated in 2.17 this has been rescheduled for 2013.

INSURANCE FUND BUDGET 2013/14

2.22 The Insurance Fund Budget is shown in the Appendix and the table compares the Budget for 2012/13 with the Budget for 2013/14.

	2012/13	2013/14
	£000	£000
Schools	699	738
General Fund	2,184	2,325
Contribution from Insurance Fund surplus	136	-
Total	3,019	3,063

2.23 The increase in charges for 2012/13 was contained by the use of £136,000 in the Insurance Fund Budget Surplus Reserve so the increase in costs in 2013/14 is actually £180,000 (£141,000 to Council General Fund services and £39,000 to Schools). However, in 2012/13 the careful management of costs should realise a surplus of £50,000 in the Insurance Fund and it is proposed that any surplus be transferred to General Fund balances at the end of the financial year rather than used to reduce the charges for 2013/14.

2.24 Although the 2013/14 budget does represent an increase in costs insurance costs have fallen very substantially in recent years and for next year will still be less than they were in 2001/02 for wider cover. This reflects a general improvement the Council's loss history over this period, improved claims management and the effectiveness of the Council's approach to insurance procurement.

2.25 The charge for schools excludes 3 secondary schools which are not yet Academies but which are expected to convert between now and the end of the forthcoming financial year. Should conversion be delayed then there would be both additional costs and additional income to the Fund.

3. RELEVANT RISKS

- 3.1 The Long Term Agreements (LTAs) which generally apply to insurance contracts act to reduce the likelihood of any significant changes to the extent of cover or to external premiums. The procurement exercises necessitated by the expiry of several LTAs in 2013 could result in higher external premiums. However it is expected that premium rates should remain broadly stable and although the process introduces some uncertainty it also presents an opportunity to explore options for reducing external premiums.
- 3.2 Insurance Fund contributions form the largest element of the total. As these are directly related to claims costs they could rise in the event of a series of major losses. The impact of that risk is effectively managed by maintaining a prudent level of reserves. Even if there were a series of losses greater than the reserves the cost would fall over several financial years giving the Council time to add to reserves.
- 3.3 If Primary Schools decided to convert to Academy status this could create a shortfall in income for the Insurance Fund. By way of mitigation the Risk & Insurance Team take steps to gain early notice of any potential conversions.
- 3.4 The Council's response to its financial difficulties could have implications for the future level of claims. Any reductions in maintenance budgets and staffing levels could impact on the frequency and severity of claims.
- 3.5 Radical revisions to the civil justice system, based on the Jackson Review, are still scheduled to come into effect from 1 April 2013. Despite this impending deadline many critical aspects have not yet been finalised and a number of consultations remain open. The impact of the new rules cannot yet be calculated as too many variables currently exist and prevent plausible financial modeling. Whilst it is expected that legal costs per settled case will reduce the volume of claims may well increase and the Council will no longer have the capability of recovering our own costs when successful. Wirral has maintained an active involvement in this reform process and the Council will have the earliest knowledge of developments in order to mitigate effects. This will have implications for liability funding requirements.
- 3.6 In 2015 the Casualty (Combined Liability) policy will come to the end of its current Long Term Agreement. As indicated in 2.10 the claims experience has deteriorated since the last tender was conducted. Premiums under any new contract will very likely be substantially higher than at present more so if the claims experience were to deteriorate further this has the potential to increase costs.

4. OTHER OPTIONS CONSIDERED

- 4.1 No other options were considered in respect of this report.

5. CONSULTATION

- 5.1 The Risk & Insurance Team liaises with schools and Council departments to obtain information required to determine the Insurance Fund Budget.

6. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are no direct implications for these groups arising from this report.

7. RESOURCE IMPLICATIONS

- 7.1. In terms of the annual insurance costs the 2013/14 Budget shows an increase of £180,000 being £141,000 for Council General Fund services and £39,000 for Schools. It should be noted that the use of £136,000 from the Insurance Fund Budget Surplus Reserve offset the increase in 2012/13.
- 7.2 The review of the Insurance Fund reserves and provisions has identified that £529,396 can be returned to Council General Fund balances.
- 7.3. Whilst there are no direct staffing implications the work for Academy schools, the planned review of the Council's risk management framework and processes and the impending tendering for insurance contracts place pressure on the capacity of the Risk & Insurance Team.
- 7.4 There are no IT or assets implications arising directly from this report.

8. LEGAL IMPLICATIONS

- 8.1 There are no direct implications arising from this report

9. EQUALITIES IMPLICATIONS

- 9.1 There are no direct implications arising from this report. An Equality Impact Assessment has been completed.

10. CARBON REDUCTION IMPLICATIONS

- 10.1 There are no direct implications arising from this report.

11. PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are no direct implications arising from this report

12. RECOMMENDATIONS

- 12.1 That the Insurance Fund Budget 2013/14 be agreed.

- 12.2 That the release of £529,396 from the Insurance Fund to General Fund balances be agreed.
- 12.3 That, as part of the impending procurement of insurance contracts, options for reducing external premiums through greater self-insurance and/or restrictions in cover be explored and the options and risks / benefits of each be reported to Cabinet.

13. REASONS FOR RECOMMENDATIONS

- 13.1 The setting of the Insurance Fund Budget is needed to adequately fund insurable risk and ensure the equitable allocation of insurance costs.
- 13.2 The release of resources identified as no longer being deemed as required for the Insurance Fund to the General Fund helps support front-line services.
- 13.3 As part of the Council’s response to a reduction in resources it is appropriate that options to reduce expenditure on insurance be considered.

REPORT AUTHOR: Mike Lane
 Risk & Insurance Officer - Financial Services Division
 Telephone: 0151 666 3413
 Email: mikelane@wirral.gov.uk

APPENDIX

Comparison of Insurance Fund Budgets 2012/13 and 2013/14

REFERENCE MATERIAL

Correspondence with JLT Public Sector Risks.
 Risk & Insurance Section Database.
 Zurich Municipal and Teceris Claims Management claims records.

SUBJECT HISTORY

Council Meeting	Date
Cabinet – Insurance Fund Budget 2010/11	14 January 2009
Cabinet – Insurance Fund Budget 2011/12	25 November 2010
Cabinet – Insurance Fund Budget 2012/13	24 November 2011

WIRRAL COUNCIL

INSURANCE FUND BUDGET

	<u>Base Budget 2012/13</u>			<u>Base Budget 2013/14</u>		
	£	£	£	£	£	£
Expenditure						
Class of Insurance	External Premia	Insurance Fund Contributions	Total	External Premia	Insurance Fund Contributions	Total
Liabilities	230,000	1,550,000	1,780,000	273,000	1,550,000	1,823,000
Fire	319,000	300,000	619,000	319,000	300,000	619,000
Motor	26,000	70,000	96,000	34,000	58,000	92,000
Other	204,000	78,000	282,000	205,000	81,000	286,000
Management Account			242,000			243,000
Total Expenditure			<u>3,019,000</u>			<u>3,063,000</u>
Income						
Schools			(699,000)			(738,000)
General Fund			(2,184,000)			(2,325,000)
Contribution from Budget Surplus Reserve			(136,000)			(0)
Total Income			<u>(3,019,000)</u>			<u>(3,063,000)</u>

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Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Mike Lane

Email address: mikelane@wirral.gov.uk

Head of Section: Tom Sault

Chief Officer: Peter Timmins

Department: Finance

Date: 2 November 2012

Section 2: What Council proposal is being assessed?

The Insurance Fund Budget 2013/14

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 – 29 November 2012

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)

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 e-mail it to 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 e-mail it to 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

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?**

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

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

Yes / No – (please delete as appropriate)

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 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 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 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 via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**

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WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT	ANNUAL AUDIT LETTER 2011/12
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1. The Annual Audit Letter is issued by the District Auditor and sent to all Members of the Council and presented to Cabinet and Audit & Risk Management Committee. It is primarily for information with Members asked to note the comments and the actions taken, and being taken.

2.0 BACKGROUND AND KEY ISSUES

ANNUAL AUDIT LETTER

- 2.1 The Annual Audit Letter is issued by the District Auditor following completion of the annual audit and collates his key reports and findings from work undertaken during the financial year. It also provides an update of actions taken by the Council.
- 2.2 When received the Letter is sent to all Members of the Council for information. It is also presented to both Cabinet and Audit & Risk Management Committee given their roles in respect of the governance and financial arrangements of the Council. This is primarily for information as the various reports referred to in the Letter will have been reported during the year to Cabinet and Audit & Risk Management Committee as appropriate.

ANNUAL AUDIT LETTER 2011/12

- 2.3 The Letter covers the key areas of:-
- Financial statements and value for money conclusion.
 - Gifts and hospitality and conflicts of interest.
 - Report in the Public Interest (Highways and Engineering Services).
 - Claims and Returns.
- 2.4 The Letter provides further information in respect of these areas together with dates as to when these have been considered by Cabinet and Audit & Risk Management Committee as appropriate.

3.0 RELEVANT RISKS

3.1 The District Auditor has identified a number of concerns in respect of governance and value for money. These form part of the Wirral Improvement Plan but if not addressed could lead to an adverse audit opinion in 2012/13.

4.0 OTHER OPTIONS CONSIDERED

4.1 The Letter has been circulated for the information of all Members and the District Auditor is presenting his Letter to both Cabinet and Audit & Risk Management Committee.

5.0 CONSULTATION

5.1 The Letter was agreed by the Chief Executive and Interim Director of Finance prior to its publication.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising directly from this report.

7.0 RESOURCE IMPLICATIONS

7.1 There are no financial, staffing, IT or asset implications arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 The Letter is required to be presented by the District Auditor upon conclusion of the annual audit.

9.0 EQUALITIES IMPLICATIONS

9.1 There are no equality implications - this is the presentation of the Annual Audit Letter.

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 That Cabinet note the contents of the Letter including the actions taken, and being taken, to address the issues raised.

12.2 That the District Auditor be thanked for his work during this, and previous years.

13.0 REASON FOR RECOMMENDATIONS

13.1 The issues raised by the District Auditor have been reported to Cabinet and Audit & Risk Management Committee throughout the year and this Annual Letter summarises the work undertaken relating to the 2011/12 financial year.

REPORT AUTHOR: Tom Sault
Designation Head Of Financial Services
Telephone 0151 666 3407
Email tomsault@wirral.gov.uk

APPENDICES

Annual Audit Letter 2011/12

REFERENCE MATERIAL / SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee - Annual Governance Report - Gifts and hospitality and conflicts of interest	19 September 2012
Cabinet - Annual Governance Report	18 October 2012
Council - Public Interest Report	16 July 2012
Cabinet - Public Interest Report	18 October 2012

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26 October 2012

Members of Wirral Council
Wallasey Town Hall
Brighton Street
Wallasey
Wirral
CH44 8ED

Direct line 0844 798 7043

Email m-thomas@audit-
commission.gov.uk

Dear Councillor

Wirral Council - Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter for your attention. It summarises the audit work for my 2011/12 audit of Wirral Council, including the Merseyside Pension Fund.

Financial statements and value for money conclusion

On 19 September 2012 I presented my Annual Governance Report (AGR) to the Audit and Risk Management Committee. My AGR outlined the findings of my audit of the Council's 2011/12 financial statements and its arrangements for securing value for money. I will not replicate all of my findings in this letter.

Following the Audit and Risk Management Committee I:

- issued an unqualified opinion on the Council's 2011/12 financial statements on 25 September 2012;
- issued an adverse conclusion in respect of the arrangements the Council put in place during 2011/12 for securing economy, efficiency and effectiveness in its use of resources; and
- certified completion of the audit.

Opinion on the 2011/12 financial statements of Wirral Council

I issued an unqualified opinion on the Council's 2011/12 financial statements on 25 September 2012 in line with the statutory deadline. The amendments to the accounts changed the financial position of the Council as at 31 March 2012 by increasing the balance in the General Fund by £319,000.

Audit Commission, 2nd Floor, Aspinall House, Aspinall Close, Middlebrook, Horwich, Bolton BL6 6QQ. T 0844 798 7300 F 0844 798 7301 www.audit-commission.gov.uk

I presented my Annual Governance Report (AGR) to the Audit and Risk Management Committee on 19 September 2012 and noted the significant improvements in the closedown and accounts preparation processes that enabled me to carry out a more efficient audit and deliver an earlier opinion:

- I received good quality statements in accordance with the statutory deadline;
- I received good quality working papers on the first day of the audit and prompt responses to further queries during the audit; and
- the financial statements were adjusted for only two non-material errors and a small number of disclosure errors.

I identified significant weaknesses in your systems of internal control in respect of assets, accounts payable and journals; although there have been improvements in the controls over a number of asset types this year, some issues still remain. I made a number of recommendations to secure improvements for 2012/13.

I also issued an unqualified opinion on the Council's 2011/12 whole of government accounts on 25 September 2012.

Opinion on the 2011/12 financial statements of the Merseyside Pension Fund

I issued unqualified opinions on the Merseyside Pension Fund 2011/12 financial statements included in the Council's accounts and in the Pension Fund Annual Report. I reported to the Audit and Risk Management Committee on 19 September 2012 that the financial statements were adjusted for four non-material errors and a small number of disclosure errors. None of these errors had a significant impact on the reported performance of the fund.

I also reported some issues regarding internal control and compliance with regulations and made a number of recommendations to secure improvements for 2012/13.

2011/12 value for money conclusion

I issued a qualified (adverse) value for money conclusion on 25 September 2012. I concluded that the Council had not made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

I concluded that during 2011/12 the Council did not have robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future. In particular there were weaknesses in leadership and financial governance that have diverted action from delivering improvement. The Council continues to face a number of significant financial challenges most notably developing robust plans to address the projected shortfall of around £100 million for 2012 – 2015, the recurrent overspend in Adult Social Services and the 2012/13 projected Authority overspend at June 2012.

The Council did not prioritise its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity. There was a lack of clarity about the Council's strategic priorities due to the changes in leadership and the Corporate Plan resulting in a lack of a strategic approach to challenging spend and considering how spending matched the priorities of the Council. Cost reduction plans were not achieved and there was limited information to demonstrate that there was an increase in productivity and better output from more limited resources, most notably in respect of the Highways and Engineering Services contract.

I also issued a report by exception on your arrangements for good governance and internal control as the Council has yet to address the corporate governance weaknesses which have been repeatedly identified. In addition there were weaknesses in corporate arrangements for risk management, compliance with policies, procedures and aspects of internal control.

Gifts and Hospitality and Conflicts of Interest

As part of our assessment of the Council's arrangements for value for money this year we reviewed work carried out by Internal Audit and sought to rely on its work on gifts and hospitality and conflicts of interest.

The Council's written procedures for managing and recording gifts and hospitality and conflicts of interest were generally adequate during 2011/12. However, whilst the procedures were found to be adequate, our testing identified a high instance of non-compliance and incomplete records in a number of departments.

I made a number of recommendations to ensure that procedures, guidance and responsibilities for good governance, risk management and internal control in respect of gifts and hospitality and conflicts of interest are clear and understood. I also drew attention to the role of Internal Audit in providing management and those charged with governance with appropriate assurance for the Annual Governance Statement.

Report in the Public Interest

I issued my Highways and Engineering Services report in the public interest under section 8 of the Audit Commission Act 1998 on 8 June 2012. The Council considered my report at its meeting on 16 July 2012 and the draft action plan and press notice went to Cabinet on 18th October 2012, including the response to the 21 recommendations made.

Recommendations

I have made a range of recommendations to secure improvements in 2012/13, in particular to ensure that the Council addresses the weaknesses identified in:

- the Highways and Engineering Services report in the public interest;
- respect of financial resilience, securing economy efficiency and effectiveness and proper arrangements.
- its overall governance arrangements;
- respect of the issues raised in my report on gifts and hospitality and conflicts of interest;

The Council has responded positively to my recommendations and has included its response within its Improvement Plan. This is currently subject to review, challenge and monitoring by the Improvement Board.

Certificate of completion of the 2011/12 audit

I certified completion of the 2011/12 audit on 25 September 2012.

Claims and returns

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of government departments, make arrangements for certifying claims and returns. I am in the process of certifying three claims and returns for 2011/12 and will report the outcome of this work to management once the work is complete.

Fees

I reported the 2011/12 fees for Wirral Council and Merseyside Pension Fund in the respective Annual Governance Reports presented to members on 19 September 2012.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Interim Director of Finance. While this has been another challenging year for the Council, I wish to thank Members and staff for the positive and helpful approach they have taken to my audit. I also wish to thank senior management and the Audit and Risk Management Committee for their support and co-operation during the audit.

Yours sincerely

Michael Thomas
District Auditor

WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT	LEVEL OF GENERAL FUND BALANCES
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1 EXECUTIVE SUMMARY

- 1.1 This report is to specify the level of General Fund balances the Council maintains. It also sets out the approach that has been used to determine this level and suggests an approach to replenishing the Council General Fund balances.

2 BACKGROUND

- 2.1 Sound financial management principles require that sufficient funds are retained by the Council to provide a stable financial base at all times. To retain this stable financial base, the Council needs to maintain General Fund balances that are sufficient to provide a financial reserve for unanticipated expenditure and/or expenditure that is of an unforeseen, emergency nature.
- 2.2 The report to Cabinet on the 2012/13 budget on 21 February 2012 set the General Fund balances at a minimum of 2% of the net revenue budget. The sum of £6 million represented, at the time, an acceptable level having regard to the financial position of and the pressures facing the Council. Recent financial difficulties have prompted a review of the level of balances held.
- 2.3 The report proposes a new level of General Fund balances. It sets out how this has been determined and reflects the risks faced by and financial circumstances of Wirral. The report recommends that General Fund balances held are at, or above, this level and proposes an approach to reaching the recommend level.

FINANCIAL RESILIENCE: LEVEL OF GENERAL FUND BALANCES

- 2.4 The Council has and is facing funding reductions at a time when the demand for our services due to population changes and the economy is increasing. The current projected revenue forecast for the year, at Month 6 (to end September 2012), shows a potential General Fund overspend of £13.2 million.

- 2.5 The Audit Commission in its Annual Governance Report stated that the Council does not have robust financial control and continues to face a number of financial challenges. The Council needs to have in place arrangements to ensure its' sustainable financial health and to have measures in place to mitigate against financial risks. One aspect of this is the maintenance of sufficient General Fund balances.
- 2.6 The level of balances that the Council holds was set when approving the budget 2012/13 at 2% of the net revenue budget. This resulted in target level of £6m. With increasing financial pressures faced by all Councils best practice with regard to this area now recommends a move away from the use of a flat percentage when determining the level of general fund balances. The level should be based on the Council's own specific circumstances. The Council's Auditor Grant Thornton in their report "Surviving the storm: how resilient are local authorities?" has identified best practice as follows:
- The Authority operates within a locally determined appropriate level of reserves and balances.
 - The general fund balance is maintained at or above the locally agreed minimum level.

LOCALLY DETERMINED LEVEL OF GENERAL FUND BALANCES

- 2.7 In determining the appropriate level of General Fund balances the Council should take account of the strategic, operational and financial risks facing the Council. In planning the financial future and the level of reserves the Council needs to take into account the main risks and uncertainties.

The risks identified are grouped as follows:

- Legislative changes
- Inflation and Interest Rates
- Grants
- Volume and Demand Changes
- Budget Savings
- Insurance and Claims

Details of the calculation are set out in Appendix 1.

REPLENISHING GENERAL FUND BALANCES

- 2.8 It is essential the Council maintains an adequate level of General Fund balances to mitigate against current and future risks such as shortfalls in income and unanticipated expenditure. The agreed level of General Fund balance was set at £6 million, as part of the March budget decision. The current predicted outturn at month 6 indicates a level of General Fund balances at 31 March of £7.8 million. However there are a number of areas which could result in adverse future pressures on the budget and the General Fund in the current financial year. This predicted level is £4.7 million less than that recommended by the locally determined approach.

SUMMARY OF THE PROJECTED GENERAL FUND BALANCES

Details	£m	£m
Projected balance 31 March 2013 when setting the Budget 2012/13		8.8
Add : Increase following completion of 2011/12 accounts	+2.0	
Add : Council Tax re-imburement met in 2011/12 rather than budgeted 2012/13	+3.9	
		14.7
Less : Cabinet decisions since the 2012/13 Budget was agreed	-0.7	
Add : Cabinet decision September 6 to release Earmarked Reserve	+7.0	+6.3
Less : Potential overspends, at M6		-
		13.2
Projected balance 31 March 2013		7.8

- 2.9 To take the balances to the level of £12 million in 2012/13 and £21 million in 2013/14 would require additional funds of £4.2 million and a further £9 million. A total of £13.2 million. There are a number of approaches to increasing general fund balances to the level recommended by the locally determined approach. The Council could move to the level recommended over one to three years. This would be through a strategic approach and over a specific time horizon. It would involve the commitment to prioritise resources to replenish the balances. This approach takes time and means that the Council's finance resilience is not immediately secured.
- 2.10 An alternative approach is to move as quickly as possible to the recommended level. This would provide immediate cover against unforeseen funding requirement. It would provide financial resilience. This could be achieved through examining other funds the Councils holds with a view to releasing those not needed to general fund balances.
- 2.11 The Council currently holds £86 million in earmarked reserves. These are held for specific funding purposes. For each there is a reason for it being held, along with specific details of how and when the reserve can be used. Reported to Members, following a review, twice yearly, their relevance and adequacy has recently been examined.
- 2.12 The Council as part of the management action being taken to address the current projected overspend has undertaken a review of all such reserves. Each department has undertaken an assessment of reserve balances current needed to use these and identified amounts which could be released back to general fund balances. An amount of £12.5 million has been identified for possible release. Details of the individual reserves to be released and those to be retained are provided within appendix 2. In summary the composition of amounts released from departments is as follows:

Department	Amount For Release from Reserves
	£000
Children and Young People	456
Adult Social Services	6
Finance	7,240
Law, HR and Asset Management	459
Regeneration, Housing and Planning	2,553
Technical Services	1,262
Insurance Fund	529
Total	12,505

- 2.13 Of the £12.5 million of earmarked funds currently available £2 million has been identified to create a rolling fund for efficiencies. Cabinet at its meeting on the 8 November agreed to the terms of reference of the Efficiency Investment Fund. It also recommended that Cabinet on 28 November receive a report on the creation of a “rolling fund” in the context of the risk level balances and the release of “spare” funds from earmarked reserves.
- 2.14 The use of £2 million of available earmarked reserves to create the rolling efficiency Investment Fund will leave £10.5 million available to be transferred into general fund balances. It is therefore recommended that £10.5 million of earmarked reserves are release to general fund balances. This will increase the predicted level of balances to £18.3 million at the 31 March 2013. if maintained at this predicted level balances would be close to the required level of £21.1 million for 2013/14.

3 RELEVANT RISKS

- 3.1 This report is about setting the level of General Fund balances and the release of Earmarked Reserves and Provisions having regards to a risk based assessment.

4 OTHER OPTIONS CONSIDERED

- 4.1 The options for setting the level of general fund balances included the following:
- (i) Maintaining and continuing with the current approach to the level of General Fund balances. This is in line with the Audit Commission suggested approach that Local Authorities hold balances at a minimum of 2% of the net budget.
 - (ii) Establishing a level of General Fund balances based on the level of regular Council expenditure and income eg two months of regular expenditure and income.
- 4.2 Both these options were felt to be inappropriate as they do not assess the specific circumstances that the Council faces.

5 CONSULTATION

5.1 No consultation has been carried out in relation to this report.

6 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 As yet there are no implications for voluntary, community or faith groups.

7 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

7.1 The locally determined approach to General Fund Balances would result in an increase in balances. It is proposed that the increase is funded from the release of earmarked reserves.

7.2 A risk assessment has been made of the cost and demand pressures on budgets, insurance liabilities, the achievement of budget savings, and other financial uncertainties which supports the proposed level of balances of approximately £12.5 million for 2012/13. This assessment is set out in appendix 1.

8 LEGAL IMPLICATIONS

8.1 There are none arising directly from this report.

9 EQUALITIES IMPLICATIONS

9.1 This is essentially a monitoring report which reports on financial performance.

10 CARBON REDUCTION IMPLICATIONS

10.1 There are no implications arising directly from this report.

11 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no implications arising directly from this report.

12 RECOMMENDATIONS

12.1 Cabinet is asked to agree:

- a) The level of General Fund balances recommended is based a locally determined approach to the assessment of the financial risks that the Council may face in the future.
- b) The Council maintains it level of balances at or above the locally determined level of General Fund balances.
- c) The transfer of £10.5 million of earmarked reserves to the General Fund balances.

- d) The transfer of £2 million of earmarked reserves to enable the creation of an Efficiency Investment Rolling Fund.

13 REASONS FOR THE RECOMMENDATIONS

13.1 The Council needs to have good financial resilience at a time of increasing financial pressures and in difficult economic times. The holding of sufficient funds is part of the move to improve resilience. The locally and risk based approach to the level of general fund balance is in line with the achievement of this approach.

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APPENDICES

Appendix 1 Risk Based Assessment of General Fund Balances.
Appendix 2 Earmarked Reserves to be Released.

SUBJECT HISTORY

Council Meeting	Date

Appendix 1 : Balances Calculation

Risk Based Assessment of General Fund Balances

Area of Risk	2012/13			2013/14			2014/15			2015/16		
	Budget £000's	Risk Level	Value £000's	Budget £000's	Risk Level	Value £000's	Budget £000's	Risk Level	Value £000's	Budget £000's	Risk Level	Value £000's
Legislative Changes												
Total Formula Grant / Localised Business Rates	148,023	0.00%	0.0	136,053	1.00%	1,360.5	125,169	1.00%	1,251.7	115,155	1.00%	1,151.6
Council Tax Benefit	31,249	0.00%	0.0	28,124	5.00%	1,406.2	28,124	5.00%	1,406.2	28,124	5.00%	1,406.2
Council Tax Grant Reduction	0	0.00%	0.0	3,125	5.00%	156.3	3,125	5.00%	156.3	3,125	5.00%	156.3
Technical Changes to Council Tax	0	0.00%	0.0		Calculation	-400.0		Calculation	-400.0		Calculation	-400.0
Public Health Transfer	22,000	0.00%	0.0	22,000	1.00%	220.0	16,000	1.00%	160.0	16,000	1.00%	160.0
Health & Social Care Bill	15,000	0.00%	0.0	15,000	5.00%	750.0	15,000	5.00%	750.0	15,000	5.00%	750.0
Waste Levy - 50% recycling by 2020	14,687	0.00%	0.0	14,687	3.00%	440.6	14,687	6.00%	881.2	14,687	6.00%	881.2
Discretionary Social Fund	0	0.00%	0.0	6,751	5.00%	337.6	6,751	5.00%	337.6	6,751	5.00%	337.6
	230,959		0.0	225,740		4,271.1	208,856		4,542.9	198,842		4,442.8
Inflation												
Employees	140,936	0.10%	140.9	142,936	0.10%	142.9	142,436	0.10%	142.4	140,936	0.10%	140.9
Premises	22,180	0.75%	166.4	22,180	0.75%	166.4	22,180	0.75%	166.4	22,180	0.75%	166.4
Transport	8,556	1.00%	85.6	8,556	1.00%	85.6	8,556	1.00%	85.6	8,556	1.00%	85.6
Supplies	113,960	1.00%	1,139.6	113,960	1.00%	1,139.6	113,960	1.00%	1,139.6	113,960	1.00%	1,139.6
Services	72,438	0.50%	362.2	92,438	0.50%	462.2	86,938	0.50%	434.7	72,438	0.50%	362.2
Agency & Transfer	163,072	1.00%	1,630.7	163,072	1.00%	1,630.7	163,072	1.00%	1,630.7	163,072	1.00%	1,630.7
	521,142		3,525.4	543,142		3,627.4	537,142		3,599.4	521,142		3,525.4
Interest Rates												
Borrowing	12,644	0.00%	0.0	12,644	0.00%	0.0	12,644	0.00%	0.0	12,644	0.00%	0.0
Investment	875	0.00%	0.0	875	0.00%	0.0	875	0.00%	0.0	875	0.00%	0.0
	13,519		0.0	13,519		0.0	13,519		0.0	13,519		0.0
Grants												
Housing Benefits incl Admin Grant	169,522	0.75%	1,271.4	138,273	0.50%	691.4	138,273	0.50%	691.4	138,273	0.50%	691.4
Other General Fund Grants	53,313	0.50%	266.6	73,113	0.50%	365.6	57,113	0.50%	285.6	54,913	0.50%	274.6
	222,835		1,538.0	211,386		1,056.9	195,386		976.9	193,186		965.9
Employee Related Risks												
Single Status	6,000	3.00%	180.0	3,500	3.00%	105.0	3,750	3.00%	112.5	3,000	3.00%	90.0
	6,000		180.0	3,500		105.0	3,750		112.5	3,000		90.0
Volume / Demand Changes												
Capital Receipts	3,000	2.00%	60.0	3,000	2.00%	60.0	3,000	2.00%	60.0	3,000	2.00%	60.0
Customer and Client Receipts	45,751	1.00%	457.5	47,124	2.00%	942.5	48,537	2.00%	970.7	49,993	2.00%	999.9
Demand Led Budgets (Social Care)	89,140	2.00%	1,782.8	89,140	0.50%	445.7	89,140	0.50%	445.7	89,140	0.50%	445.7
Collection Fund	132,911	0.25%	332.3	132,911	0.25%	332.3	132,911	0.25%	332.3	132,911	0.25%	332.3
Winter Pressures	400	50.00%	200.0	400	50.00%	200.0	400	50.00%	200.0	400	50.00%	200.0
	271,202		2,832.6	272,175		1,980.4	273,588		2,008.7	275,044		2,037.8
Budget Savings												
Budget Reductions	16,500	25.00%	4,125.0	38,988	25.00%	9,747.0	40,184	20.00%	8,036.8	24,314	15.00%	3,647.1
Insurance/Public Liability Third Party Claims												
MMI Liabilities	498	2.00%	10.0	498	2.00%	10.0	498	2.00%	10.0	498	2.00%	10.0
Legal Liabilities	9,723	2.00%	194.5	9,723	2.00%	194.5	9,723	2.00%	194.5	9,723	2.00%	194.5
Self Insured Liabilities	2,977	2.00%	59.5	2,977	2.00%	59.5	2,977	2.00%	59.5	2,977	2.00%	59.5
	13,198		264.0	13,198		264.0	13,198		264.0	13,198		264.0
Energy Security and Resilience												
Carbon Tax Legislation	204	10.00%	20.4	245	20.00%	49.0	294	20.00%	58.8	250	20.00%	50.0
TOTAL			12,485.3			21,100.8			19,599.9			15,023.0

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Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
India Exchange	4,254	- 3,701	3,701		Global Schools partnership - school visit to India
External Funding	66,410	- 66,410		66,410	Miscellaneous balances from previous years
Children's LCL safeguarding	50,403	- 50,403	50,403		WSCB balance of partnership funding
Baby P ICS Contribution to capital	31,726	- 31,726		31,726	Uncommitted capital balance
Nursery Educ Grant	108,000	- 108,000	108,000		Funding for balance of 38 weeks Nursery Grant Funding to providers
Schools Balances C/Fwd	10,028,683	- 10,028,683	10,028,683		School balances
DAT Pooled Budgets (Res)	82,094	- 82,094	82,094		Health and partners balance of funding
Schools Excess Balances	9,504	- 9,504	9,504		Relates to Schools
Schools Special Contingency C/Fd	369,569	- 369,569	369,569		Relates to Schools
Children's Workforce Development Council	13,475	- 13,475	13,475		Balance of DCS fund to support children
Reserve Schools Harmonisation Costs	1,241,111	- 1,241,111	1,241,111		Final costs and appeals in schools
Dedicated Schools Grant Carry Forward	165,000	- 165,000	165,000		DSG c/forward to allocate to schools
Help for Young People	20,000	- 20,000	20,000		Donation - funds to support young people
School Improvement (L&A)	279,546	- 279,546		279,546	Potential unfunded summer term Advisory Teacher costs if schools do not buy back
Cash Management Schools	1,738,602	- 1,738,602	1,738,602		School balances
Forcap For Cap Prog	62,907	- 62,907	62,907		Schools devolved formula capital contributions
Oaklands Capital Contribution	22,045	- 22,045		22,045	Uncommitted capital balance
Cash Management Seed Pta	514,153	- 514,153	514,153		Schools capital contributions
Adoption & Fostering Reserve	7,143	- 7,143	7,143		Partnership funding with Cheshire West
Friends of Oaklands	2,560	- 2,910	2,910		Friends group fund raising
School Improvement IT Programme	25,012	- 41,012	41,012		3 year IT replacement programme in Acre Lane
Play Area Reserve	27,947	- 27,947		27,947	Uncommitted reserve
PFI Capital Reserve	85,980	- 85,980	85,980		PFI capital costs re asbestos etc
Capital Financing Contrib's	20,000	- 20,000	20,000		
Accommodation Strategy	8,302	- 8,302		8,302	Uncommitted reserve
Capital Reserve - Woodchurch	22,248	- 22,248	22,248		Schools capital contributions
LSG-PLESSINGTON HIGH	1,300	- 1,300	1,300		
Automatic Meter Readers	415,000	- 415,000	415,000		Schools contribution to installation of meter readers
School Improvement Reserve	64,365	- 64,365	64,365		Funding for pension strain costs
Music Service Income	719	- 719	719		Music service fund raising
ASB Reserve	33,818	- 33,818	33,818		Purchase of case management system

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
St Werburghs	2,808	- 2,808	2,808		School contributions to capital schemes
Portland Primary	16,752	- 16,752	16,752		School contributions to capital schemes
CAMHS Reserve	55,183	- 55,183	55,183		Funding for Treatment Fostering support costs
MUGA Wirral Hospital School	10,910	- 10,910	10,910		School contributions to capital schemes
Stay, Work, Learn Wise	907,820	- 907,820	907,820		Balance re completed SFA / ESF programmes
YPLA / LSC Funding Balance	38,504	- 38,504	38,504		
CLC Contingency	104,931	- 104,931	104,931		CLC emergency repairs
AST Contingency	136,390	- 136,390	136,390		Advanced Skills Teachers summer term cosrs
CWDC	399,261	- 399,261	399,261		Social Work Improvement Fund - funding 2 fixed term posts
Schools Premature Retirement Costs	232,953	- 232,953	232,953		School Redundancy costs
Social Worker Retention	184,000	- 184,000	184,000		Part funding retention packages in 2012-13
DSG Contingency	193,795	- 193,795	193,795		
Capital Reserve Hilbre High	35,173	- 35,173	35,173		School contributions to capital schemes
Capital Reserve Oldershaw	17,178	- 17,178	17,178		School contributions to capital schemes
YOS - Multi Systemic Therapy	151,665	- 151,665	151,665		
Childrens Centre Income Reserve	175,159	- 175,159	175,159		Health balance of funding
Moving On	20,000	- 20,000		20,000	Bad debts re Children's Centre and Music Service income
Capital Reserve Brookdale Primary	1	1	1		
Birkenhead Academy	68,931	- 68,931	68,931		School contributions to capital schemes
Gayton Capital Reserve	70,000	- 70,000	70,000		School contributions to capital schemes
Irby Primary	21,000	- 21,000	21,000		School contributions to capital schemes
Brentwood	8,500	- 8,500	8,500		School contributions to capital schemes
Castleway Capital Reserve	6,000	- 6,000	6,000		School contributions to capital schemes
Pensby Primary Capital Reserve	3,095	- 3,095	3,095		School contributions to capital schemes
Pensby Girls Capital Reserve	15,000	- 15,000	15,000		School contributions to capital schemes
Pensby Boys Capital Reserve	10,000	- 10,000	10,000		School contributions to capital schemes
Somerville Capital Reserve	113,000	- 113,000	113,000		School contributions to capital schemes
Vehicle Purchase	220,000	- 220,000	220,000		Fund for vehicle replacements.
	18,739,884	- 18,755,679	18,299,703	455,976	
SHE Royden Park Scheme	490	- 490	490		Service User Funds to be retained

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
Heswall Day Centre	7,331	- 7,331	7,331		Service User Funds to be retained
LHT Bermuda Road	15,783	- 15,783	15,783		Service User Funds to be retained
Riverside/Supp Liv	12,060	- 12,060	12,060		Service User Funds to be retained
Mapleholme Donation	264	- 264	264		Service User Funds to be retained
Grosvenor Road Supported Living	16,881	- 16,828	16,828		Service User Funds to be retained
Star Design Donation	5,180	- 5,180	5,180		Service User Funds to be retained
Cambridge Road Day Centre	414	- 414	414		Service User Funds to be retained
Balls Road Birkenhead Supported Living	15,438	- 15,438	15,438		Service User Funds to be retained
North Road Birkenhead Supported Living	7,301	- 7,301	7,301		Service User Funds to be retained
Person Centred Plan	6,101	- 6,101		6,101	To be offered
Funding for End of Life Care	13,164	- 13,164	13,164		Specific Funding End of Life Care Training for Providers
DASS Development Programme	-	- 48,900	48,900		Specific Funding Local Gvt Improvement & Development
	100,409	- 149,256	143,155	6,101	
Finance Training Reserve	76,406	- 76,406	40,000	36,406	For equipment and support. Balance released.
Matching Fund	558,077	- 558,077		558,077	For Council Contribution to Initiatives. Unchanged in recent years so release.
Leasing	135,236	- 135,236		135,236	To assist in lease terminations and costs. Tak risk to fund when arise and release reserve.
Debt Restructuring	7,941,000	- 7,941,000	7,941,000		For re-aligning debt portfolio / leases. To review with treasury advisors.
One Stop Shop I T Networks	2,118,544	- 2,118,544	2,118,544		To develop IT integrating One Stop Shops / libraries.
Intranet Development	1,632,555	- 1,632,555	1,632,555		Existing broadband and future IT developments with Network infrastructure due for review / renewal 2013.
Housing Benefit	6,718,295	- 6,718,295	6,718,295		To fund potential liabilities including legal and other costs.
Printing Unit	35,445	- 35,445	35,445		For revenue shortfalls / equipment renewals. Trading Service.
HB/CT Liabilities	4,436,385	- 4,436,385	2,436,385	2,000,000	To fund potential liabilities for DWP and bad debts. Proposal was to release £2m for one-off funding 2013/14.

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
ITS Corp Network	110,000	- 110,000		110,000	IT corporate network hardware requirements. Release as this is now covered by other areas.
ITS Replacement Programme Reserve	1,528,805	- 1,528,805	1,528,805		For replacement IT across the Council – under review as part of Corporate IT project – accumulated reserve.
Schools Broadband	76,500	- 76,500	76,500		For projects of the IT Services Schools Group
Schools Service IT Reserve	294,181	- 294,181	294,181		For year on year changes / hardware. Trading Service.
MRP Adjustments Reserve	4,400,000	- 4,400,000		4,400,000	Potential costs from capital accounting changes. Policy unchanged and capital controls tightened.
Library Sales	31,447	- 31,447	31,447		To support Book Festival and other initiatives
Book Festival	10,569	- 10,569	10,569		To fund Wirral Book Festival.
Home Reader Service	15,551	- 15,551	15,551		To fund the initiative.
EX HRA Contingency Reserve	40,000	- 40,000	40,000		Liabilities from stock transfer reduced in earlier years
	30,158,996	- 30,158,996	22,919,277	7,239,719	
Coroners Office	81,939	- 81,939	81,939		Wallasey Town Hall improvements have begun and there will be costs involved in the temporary accommodation in Birkenhead Town Hall for the Coroner - estimated as £50k.
Birkenhead Registrars Renovation	16,500	- 16,500	16,500		To fund the renovation of the Birkenhead Registrars based in Birkenhead Town Hall.
Local Pay Review	2,640,733	- 2,640,733	2,640,733		To meet the costs of the Local Pay Review/JE.
Admin Bldg Rep Fund	74,305	- 74,305	74,305		To fund repairs to Admin Buildings held within Asset Management.
Mangd Prop Rep Fund	24,965	- 24,965	24,965		To fund repairs to Managed Properties within Asset Management.
H R Occ Health New Deal	36,951	- 36,951		36,951	Uncommitted - was set up to support the costs of the Occupational Health Unit which has now been brought in house

Review of Earmarked Reserves

Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
Sustainability	51,843	- 51,843	10,000	41,843	To fund improved energy efficiency across the Council and to work with Businesses and the Community to raise awareness of the urgent need to reduce Wirral's Carbon footprint, to take action to reduce Carbon emissions and to sign up to the CRed target. It is estimated there will be £10k of costs in year.
Asset Review	126,610	- 126,610	126,610		To fund costs incurred towards the Strategic Asset Review in relation to the Councils land & buildings.
Legal Case Mgmt System	11,546	- 11,546	11,546		To fund the cost of the Legal Case Management System (Civica)
Property Maint Disabled Access	12,156	- 12,156	12,156		To fund building maintenance for Disabled Access on Council assets held.
HR Training	71,490	- 71,490		71,490	Uncommitted - was set up to part finance the leadership development programme contracted with Chester Business School and purchase a skills audit tool. There is no such programme now in place.
EAT / RAT Dev Portal	38,604	- 38,604	38,604		To fund the development of the EAT/RAT Development Portal that continues to take place.
Public Conveniences	30,336	- 30,336	30,336		To fund the upgrade and maintenance of Public Conveniences including a Changing Places Facility on the Neptune Development.
PPM Libraries	164,020	- 164,020	164,020		Building Maintenance - Cabinet 14 Jan 2010 MIN279 Libraries PPM £1.2m residual bal.
Community Fund CAT	3,301,287	- 3,301,287	3,301,287		Community Asset transfer programme - funded expenditure in 2011/12
Community Energy Efficiency Fund	107,042	- 107,042	50,000	57,042	Policy Option - unlikely that all will be applied for from Community Groups.
M I E P	153,502	- 153,502	153,502		To fund the Merseyside Improvement & Efficiency Programme expenditure due to end 31/03/13.
PPM	482,730	- 482,730	482,730		To fund Building Maintenance on Council Assets held.

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
Trading Standards Modern Apprentices	87,000	- 87,000	70,000	17,000	To fund 2 Trading Standards apprentices for 2 years, partly uncommitted as it was originally 3 apprentices.
Licensing Legal Costs	40,000	- 40,000	40,000		To pay for any High Court Judicial reviews/legal costs for unpaid licences
Caretakers Lodges Repairs	80,000	- 80,000	80,000		To fund building maintenance on Caretakers Lodges
Allotments Officer	29,081	- 29,081	15,000	14,081	Partly committed against Hoylake Allotments extension works and for improvement works as identified in the annual Health and Safety survey.
Taxi Demand Survey	80,495	- 80,495	80,495		To fund any Taxi Demand Surveys and to assist with any legal costs in relation to non payers
Wirral Executive	9,920	- 9,920	9,920		Uncommitted - Set aside to fund Target Hardening expenditure through the Merseyside Safer Partnership
Dog Fouling	11,825	- 11,825	6,000	5,825	Partly uncommitted in relation to "Don't give a dog a bad name campaign"
Dog Wardens Bequests	2,236	- 2,236	2,236		Bequests from individuals for the benefit of the Dog Wardens Section
Community Safety Initiatives	119,848	- 119,848	119,848		To fund community safety expenditure (£60k committed in year)
Strategic Asset Review	368,000	- 368,000	368,000		Contribution towards the Strategic Asset Review in relation to the Councils land & buildings (this includes Guinea Gap works)
Energy Conservation	230,000	- 230,000	50,000	180,000	For the implementation of an automated metering system (£50k is a contingency until meters have been installed)
Charges in relation to land	35,000	- 35,000		35,000	Uncommitted - was for any liability in relation to outstanding land charges
	8,519,965	- 8,519,965	8,060,732	459,232	
Planning Compensation	94,863	- 94,863		94,863	Reserve no longer justified as related to historic issue.
PR / Marketing	70,265	- 70,265	70,265		Required to fund Visitor Guide and support for Open Golf championships.

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
Local Develop F/Work PDG	115,234	- 103,810	103,810		Required to fund on-going expenditure arising from publication of the Draft Core Strategy.
Corporate PR Tourism Support	40,000	- 40,000	40,000		Reserve required to support Corporate sponsorship activity.
Investment Strategy	132,579	- 132,579	132,579		Required to fund studies connected to the Investment Strategy.
EVR Costs	110,782	- 47,429	47,429		Required to fund 2013/14 Evr obligations.
Seaside Town Strategy	77,179	- 60,291	60,291		Balance of Govt. grant for voluntary groups' activity with Seaside Town Strategy
West Wirral Schemes	530,276	- 530,276	230,276	300,000	This linked with the capital programme and the need to secure external funding - such funding no longer available.
Business Support Marketing Strategy	30,000	- 30,000	30,000		To fund expenditure arising from Business Support strategy
LAA Reward Grant - Revenue	322,347	- 322,347	322,347		Funding committed in partnership with Wirral NHS
Business Support	8,300	- 8,300		8,300	Historic reserve no longer required
Corporate Policy Support	100,000	- 100,000	100,000		To fund fixed term staffing costs in Corporate Policy.
MIS Termination Costs	500,000	- 500,000		500,000	Compensation period now expired - reserve no longer required.
Investment Marketing	70,000	- 70,000	70,000		To fund Play, Eat, Stay in Wirral campaign and website development.
Wirral MCO Strategic Leadership	30,000	- 30,000	30,000		To fund Multicultural Organisation post in conjunction with NHS Wirral.
Big Grants	146,659	- 146,659		146,659	Mainstream funded - reserve no longer required.
Social Enterprises	51,670	- 51,670		51,670	Mainstream funded - reserve no longer required.
Business Angels	45,750	- 45,750		45,750	Mainstream funded - reserve no longer required.
VAT Businesses	46,851	- 46,851		46,851	Mainstream funded - reserve no longer required.
Linking Jobs	112,061	- 112,061		112,061	Mainstream funded - reserve no longer required.
ERDF 4.2 Match Funding	500,000	- 500,000	500,000		Match funding required for ERDF 4.2 business programme.
BIG Capital Grants	342,010	- 342,010	342,010		Required to fund on-going BIG capital grants to businesses
ERDF Wirral Events MF	51,977	- 51,977	51,977		ERDF funding to support of marketing Wirral events.

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
T&M Food & Drink Guide	12,500	- 12,500	12,500		Funding for Food & Drink guide in 2012/13.
Wirral Attractions Group	6,434	- 6,434	6,434		To fund on-going activities of Attractions' group.
Empty Prop Council Tax	86,044	- 86,044	86,044		Required to fund Council tax obligations on empty properties that are awaiting demolition.
Supporting People Grant Admin	109,033	- 109,033	109,033		To provide budgetary support to the on-going for vulnerable and disabled people to remain in their homes.
Supporting People Grant Programme	1,395,704	- 1,395,704	995,704	400,000	To provide budgetary support to the on-going need of vulnerable and disabled people to remain in their homes. Balance maybe offered up.
Landlord Accreditation	21,408	- 21,408		21,408	Obligations arising now mainstream funded
Psl Tenancy Deposits	23,070	- 23,280	23,280		This reserve acts as a guarantee for tenants who have difficulty in raising a deposit for a private tenancy.
Group Repair Scheme	230,635	- 312,009	312,009		Reserve is income received from residents as contributions to works completed and is re-invested to future improvements.
HMRI	99,950	- 99,950	99,950		Residue of HMRI grant and is required to fund on-going maintenance issues with former HMRI sites.
Wirral H I A	537,137	- 537,137	537,137		Required to provide on-going support to assist vulnerable residents with small jobs or repairs in their homes.
Empty Property	49,388	- 49,388	49,388		To provide funding for the empty property strategy.
HMO Licence Fees	43,840	- 43,840	43,840		To fund commitments arising from monitoring houses in multiple occupation and any potential enforcement actions.
Homeless Prevention	271,064	- 271,064	271,064		To fund proposals to implement the homeless prevention programme.
Cosyhomes Insulation	1,243,683	- 1,243,683	443,683	800,000	Balance of reserve required to complete the current committed programme of insulations. Element of reserve maybe given up.
BME Support Service	25,516	- 25,516		25,516	Reserve no longer required

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
Housing Priority Panel	98,580	- 98,580	98,580		To assist access of vulnerable clients to social housing.
Neptune S.106 Works	35,000	- 35,000	35,000		Funding received from Neptune for S.106 works in New Brighton - works being carried out by Tech. Services.
DCLG Empty Shops Grant	52,532	- 52,532	52,532		Grant received from DCLG as a contribution to the Empty Shops' initiative.
WNF Balance	7,960,308	- 7,916,796	7,916,796	-	Balance of WNF required to fund on-going commitments arising from the current programme and to provide match funding for the City Region Broadband UK proposal.
	15,830,628	- 15,777,035	13,223,958	2,553,078	
Art Fund	30,333	- 30,333	30,333		
Rangers Activities	34,015	- 34,015	34,015		
Hilbre Island - Sec 106	21,172	- 21,172	21,172		Section 106 monies
Disabled Tennis	1,815	- 1,815		1,815	
Reeds Lane Play - Sec 106	60,536	- 60,536	60,536		Section 106 monies
NOF Transform Space C7317	83,095	- 83,095	83,095		
Sports Centre Contingency	100,000	- 100,000	100,000		£50k Committed to Equipment Scheme. £50k for income contingency.
PPM Reserve	10,572	- 10,572		10,572	
The Oval Repairs Grant	50,000	- 50,000		50,000	
Silver Sports Activity Grant	61,500	- 61,500		61,500	
Golf Development reserve	9,654	- 9,654	9,654		
Beechwood Park Play Area - Sec 106	61,152	- 61,152	61,152		Section 106 monies
Beechwood Community Spaces S106	100,000	- 100,000	100,000		Section 106 monies
Leisure Review	2,775	- 2,775		2,775	
Free Swimming Pot 3	113,632	- 113,632	113,632		Committed to Leisure Equipment Capital Scheme.
PCT - Physical Activities Grant	309,940	- 309,940	309,940		PCT monies
Heritage Fund	420,206	- 420,206	120,206	300,000	Revenue budget available. Reserve not required.
Insurance Contribution - Highway Safety	54,582	- 54,582	54,582		
20 mph Zones	550,000	- 550,000	50,000	500,000	£50,000 spent on staff time but scheme stopped.

Review of Earmarked Reserves
Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
Wheelie Bin Replacement	31,542	- 31,542	31,542		
Asset Management Database	100,000	- 100,000		100,000	
Energy Investment	210,000	- 210,000	210,000		Committed for CMS dimming roll-out.
Open Golf Infrastructure Improvements	185,000	- 185,000		185,000	
IT Upgrade	11,166	- 11,166	11,166		Largely be used to fund the Floral's new system.
Leisure Equipment	120,000	- 120,000	120,000		Committed to Leisure Equipment Capital Scheme.
Surfacing Greasby Rd / A41	220,000	- 220,000	220,000		£150k already spent on the Capital Scheme.
Birkenhead Park - bridge repair	13,000	- 13,000	13,000		
BikeSafe	6,988	- 6,988	6,988		
Street Cleansing - You Decide	17,000	- 17,000	17,000		Committed - to be used on litter bins.
Deep Cleanse (Keep It Local)	67,159	- 67,159	67,159		All committed
Armed Forces - Welfare Pathway	10,315	- 10,315	10,315		
Flooding Prevention	53,877	- 53,877	53,877		
Asset Management	50,000	- 50,000	50,000		Partly committed to meet costs in 2012/13.
Hiways Write Off Fund	65,994	- 65,994	15,994	50,000	For write-offs (eg skip firms ceasing without paying fees/fines).
	3,237,018	- 3,237,018	1,975,356	1,261,662	
Motor Reserve B/F	250,001	- 250,001	200,000	50,001	For self insured retention of motor fleet risk. Reduced to reflect improvements in fleet / claims management.
Fire Reserve B/F	2,500,000	- 2,500,000	2,500,000		For self insured retention of property portfolio risks. Will be reviewed following 2013 property tender. It is currently accurate based on existing contracts.
Civil Contingency Fund	1,500,000	- 1,500,000	1,500,000		To provide build service resilience e.g. business continuity in IT systems.
M.M.I. Run Off	497,582	- 497,582	497,582		To cover potential clawback of paid claims for numerous account years following insolvency of MMI (Historic Liability Insurers)
Contaminated Land	500,000	- 500,000	500,000		To cover losses incurred through uninsured environmental liability.
Risk Management	150,000	- 150,000	150,000		For risk management initiatives that cannot be funded through other channels.

Review of Earmarked Reserves

Appendix 2

Description of Reserve	Balance at 1 April 2012	Current Balance	Committed	Uncommitted	Nature of Reserve and Comments
PI/El/Pi Reserve	2,186,248	- 2,186,248	2,186,248		For estimated liability claims payments to be made in current financial year on known claims, Collation of individual case estimates for known liability claims where settlement is expected outside current year
P I Reserve	100,000	- 100,000	50,000	50,000	To cover self insured retention in respect of professional indemnity claims. Can be reduced to £50k following reduction in retention level.
Claims Mgmt Reserve	257,407	- 255,907	150,000	105,907	Funding for legal / handling costs in cases where no formal arrangements exist through insolvency of insurers or failure of claims management contractors
PFI Balance of Risks	51,998	- 51,998	51,998		For PFI schools for risks not met from either contractor or current (limited insurance contracts). Reserve has been fully funded by schools.
Budget Surplus / Deficit	155,921	- 138,741	138,741		Surplus used to fund Insurance costs 2012/13.
Interest on PIC	32,157	- 32,157	10,000	22,157	For payments into court and after recent positive payments bulk can be released.
Uninsured Liability	1,030,368	- 1,018,216	1,018,216		Source of funding for meeting uninsured liability claims where either cover cannot be traced or the insurer has become insolvent.
Non Highway Risk Improvement	198,000	- 198,000		198,000	For improvement of non highway claims risks. This is no longer required.
Plate Glass Insurance Fund	98,936	- 98,936	40,000	58,936	For glass claims with iImprovements in both underwriting and claims can justify partial release.
Equipment Insurance Fund	119,396	- 119,396	75,000	44,396	Equipment insurance fully underwritten in house. Substantial year-on-year performance / loss reduction enables partial release.
Fidelity Fund	7,500	- 7,500	7,500		To meet self insured retention on fidelity claims
	9,635,514	- 9,604,682	9,075,285	529,397	
	86,222,413	- 86,202,631	73,697,467	12,505,165	

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Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details: Jenny Spick

EIA lead Officer: Jenny Spick

Email address: jennyspick@wirral.gov.uk

Head of Section: Tom Sault

Chief Officer: Peter Timmins

Department: Finance

Date: 13 November 2012

Section 2: What Council proposal is being assessed?

Level of General Fund Balances

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 29 November 2012

Please add hyperlink to where your EIA is/will be published on the Council's website <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

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 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 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
All groups Page 69	The transfer of available earmarked reserves to General Fund Balances will protect the Council's financial position through increasing financial resilience. This will sustain services to all groups in the future.	The use of budget approved and balances to cover any financial impact should they arise.	Peter Timmins	On Going	Funding of impact from existing financial resources should the need arise.
All groups	A review of earmarked reserves has taken place. This has identified funding that is no longer needed to be set aside as the purposes for which they were originally established are no longer applicable. This has released funding that will sustain Council services to everyone.	The use of budget approved and balances to cover any financial impact should they arise.	Peter Timmins	To November 2012	None

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

Financial and performance monitoring of Council services.

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

The action increases the level of general resources that can be employed to support all services to all groups in society. It transfers limited, specific funding that is no longer required to general funding. This in turn can be used to provide wider support as it is now available and can be used in any way that it is required.

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

Review of financial legislation and an assessment of the financial environment in which the Council operates.

Review of earmarked reserves through all departments examining the requirement or appropriateness of funds that are held.

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

Yes / No – (please delete as appropriate) No

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why: Improving financial resilience in the light of the

current general economic conditions means it is imperative that the Council increases its level of general fund balances. The financial risks that the Council faces has become wider and of greater likelihood of occurrence than was the case in previous years. As a consequence of these the Council faces increasing demands to fund unexpected expenditure and shortfalls in its income.

(please stop here and email this form to your Chief Officer who needs to email it to 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 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 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 via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**

WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT	CAPITAL PROGRAMME REVIEW
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report proposes that a number of schemes within the Council Capital Programme be reduced or removed following a review of the Programme and, in particular, those schemes funded from unsupported borrowing. The reduction in borrowing requirements will deliver revenue savings in 2013/14 and subsequent years.

2.0 BACKGROUND AND KEY ISSUES

SETTING OF THE CAPITAL PROGRAMME

- 2.1 The Council Capital Programme covers a three year period and is subject to an annual review. The Programme and Financing for 2012/15 was presented to Cabinet on 8 December 2011 and agreed by Council on 12 December 2011. This was then updated as part of the setting of the 2012/13 Budget by Cabinet on 21 February 2012 and Council on 1 March 2012.
- 2.2 At each annual review consideration is given as to whether schemes should remain in the Programme and in recent t years a number have been removed either because supporting grant funding did not materialise, schemes did not meet the future needs of the Council or schemes has not progressed as planned so were removed with a further submission to be made when the requirements were clearer.

REVIEW OF THE PROGRAMME

- 2.3 As part of the revised Capital Monitoring arrangements the regular monthly report has identified the significant slippage that has occurred, and continues to occur, in the delivery of the agreed Programme. The Period 6 report (September 2012) presented to Cabinet on 8 November 2012 included reference to a future report on proposals to cease or reduce schemes arising from a review of the current Capital Programme.

- 2.4 The Appendix details the proposed reductions in the Capital Programme 2012/15 which have been proposed by Chief Officers and considered by Officer Groups (Executive Team, Budget and Capital Steering Groups) and can be summarised as:-

Table 1 : Reduction in the Capital Programme and Reductions in Funding

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Programme Reduction	11,475	14,015	5,265	30,755
Funding				
Unsupported Financing	8,230	11,100	3,800	23,130
Invest-To-Save	2,275	400	0	2,675
Grant	970	2,515	1,465	4,950
Funding Reductions	11,475	14,015	5,265	30,755

3.0 RELEVANT RISKS

- 3.1 The changes to the Capital Programme result from a re-assessment of the requirements at this time. This releases revenue funding to help support the delivery of the Council Budget. Any removed schemes may be re-submitted for consideration for inclusion in the Programme in future years.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The options are to either retain the schemes in the Programme (and the associated financing costs in the Budget) or to remove the schemes and realise a more deliverable Programme (and associated financial benefits).

5.0 CONSULTATION

- 5.1 The proposals have been considered by, and reviewed by, Chief Officers at the Executive Team and by the officer Budget and Capital Steering Groups.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising directly out of this report.

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

- 7.1 The Budget Projections 2013/14 – 2015/16 include increased capital financing requirements to fund the agreed Capital Programme. The reduction in Unsupported Borrowing will reduce the projected requirements.

Table 2 : Revenue Savings From Reductions In Unsupported Borrowing

	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000
Funding Reduction				
Unsupported Financing	8,230	11,100	2,900	0
Budget Projections				
Revenue savings		823	1,110	290

7.2 The changes to the Programme do remove Investment in IT and Asset schemes as these are areas that are subject to further review. This review could lead to revised proposals being submitted for consideration for inclusion in the future Programme.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 An Equality Impact assessment (EIA) is appended to this report. The recommendation is to reduce the programme to reflect known commitments and funding. Also included is the removal of schemes which have not commenced and these may be the subject of revised submissions for inclusion in the future Programme.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 One of the schemes that is recommended for removal from the Programme is the Solar Photovoltaic Project whilst further consideration of the proposal, and alternative options, is undertaken.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly out of this report.

12.0 RECOMMENDATION

12.1 That, it be recommended to Council that, the Capital Programme be amended to reflect the changes detailed in Section 2 of this report and this be incorporated within the Period 8 (November 2012) capital monitoring report.

13.0 REASONS FOR RECOMMENDATION

13.1 Variations to the Capital Programme have to be agreed by Council in accord with the Council Constitution. The retention of schemes in the Programme at the present levels, when this will not actually happen, results in the Council having to identify funding which will not be required and the removal effectively realises a financial benefit.

REPORT AUTHOR: Tom Sault
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SUBJECT HISTORY

Council Meeting	Date
Cabinet - Capital Programme and Financing 2012/15	8 December 2011
Council - Capital Programme and Financing 2012/15	12 December 2011
Cabinet – Estimates 2012/13	21 February 2012
Cabinet – Capital Monitoring reports are being presented to Cabinet for each month	

Suggested Scheme Reductions	Amount 2012/13 £000	Amount 2013/14 £000	Amount 2014/15 £000	Total Reduced £000	
PROGRAMME					
Children and Young People					
Family Support Scheme	100	0	0	100	Reduction from the £215k originally allocated to reflect requirements
Schools- Harness Technology	234	0	0	234	Scheme has been completed and this is the residual sum
Private Finance Initiative	110	0	0	110	Reduction from the £213k originally allocated to reflect requirements
Wirral Youth Zone (consultation)	100	0	0	100	Reduction from the £200k originally allocated to reflect requirements.
Wirral Youth Zone (scheme)	0	1,400	2,400	3,800	Report to Cabinet requiring a lesser Council contribution at this stage. The originally allocated £4.8m being reduced to £1m. The final scheme costs have yet to be determined.
Finance					
Asset Review – IT	3,000	2,000	0	5,000	Scheme deleted as proposals still to be determined. Will be re-submitted when way forward agreed.
Law, HR & Asset Management					
Microgeneration	50	0	0	50	Reduction from the £100k originally allocated based on requirements
Cultural Services Assets	1,297	0	0	1,297	Balance remaining as uncommitted after the contractual commitments have been funded

North and South Annexes	1,365	300	700	2,365	Scheme being re-visited and reviewed which will lead to a revised bid for inclusion in the Programme
Bebington Civic Centre	0	1,300	0	1,300	Scheme being re-visited and reviewed which will lead to a revised bid for inclusion in the Programme
Solar Photovoltaic Project	2,275	400	0	2,675	Reduction of £1.2m based on tenders received for scheme funded from Feed-In Tariff and energy savings. Cabinet agreed not to progress pending review of assets and whilst alternative options are pursued
Re-Phasing of Council Office Works (this is the removal of a 'balancing' item in the Programme'	-1,200	-1,200	0	-2,400	The Programme previously included £1.2m of reductions in 2012/13 and 2013/14 to 'balance' the Programme in advance of the review. The review removes this adjustment.
Energy Schemes	153	0	0	153	Delete as scheme became part of Wallasey Annexe scheme which is now under review
Regeneration, Housing & Planning					
West Wirral Schemes	206	0	0	206	No proposals to spend at this stage. If progressed will be the subject of a new bid for inclusion in the Programme
Housing Market Renewal Residual Programme	970	865	865	2,700	Effectively double-counted the scheme and grant funding between this and the Improvements To Stock programme
Disabled Facilities – Adaptations	2,124	0	0	2,124	Programme set at a manageable and deliverable £3 million for 2012/13. This represents the excess sum
Quarry Bank Affordable Housing	158	0	0	158	Scheme completed at reduced cost
Challenge Fund	450	0	0	450	Scheme completed at reduced cost

Destination West Kirby	0	1,250	0	1,250	Scheme included and reliant upon £0.75m grant which is not realisable
Wirral Country Park	0	1,600	1,300	2,900	Scheme included and reliant upon £1.5m grant which is not realisable
Power Solutions to Strategic Investment Areas	0	5,000	0	5,000	Not a local authority project and any Works will be undertaken by the private sector
Technical Services					
Maintenance – Bridges and Street Lighting	0	450	0	450	Slippage to 2013/14 agreed and to be priorities for programme within the LTP allocation
Integrated Transport Block	0	650	0	650	Slippage to 2013/14 agreed and to be priorities for programme within the LTP allocation – see Spending Freeze
Parks, Plant and Equipment	83	0	0	83	Reduction based upon tender savings
Programme Reduction	11,475	14,015	5,265	30,755	
FUNDING					
Unsupported Financing	8,230	11,100	3,800	23,130	Funding to be found by the Council so reduction realises revenue savings
Invest-To-Save	2,275	400	0	2,675	For the Solar Photovoltaic Scheme the costs were to have been offset by the Feed-In Tariff and energy savings x
Grant	970	2,515	1,465	4,950	Comprise the double-counting of HMR grant and non-realisable grant so not a loss of grant funding
Funding Reduction	11,475	14,015	5,265	30,755	

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Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Tom Sault

Email address: tomsault@wirral.gov.uk

Head of Section: Tom Sault

Chief Officer: Peter Timmins

Department: Finance

Date: 16 November 2012

Section 2: What Council proposal is being assessed?

Capital Programme Review

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 – 29 November 2012

Please add hyperlink to where your EIA is/will be published on the Council's website

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

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 e-mail it to equalitywatch@wirral.gov.uk for publishing)

(The proposal reduces the Council Capital Programme to reflect known commitments and funding. The removal of schemes relates to those which have not commenced which may result in schemes being reviewed and submitted for consideration for inclusion in the future Capital Programme.)

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 e-mail it to 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

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?

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

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

Yes / No – (please delete as appropriate)

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 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 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 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 via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**

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WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT:	<i>WIRRAL IMPROVEMENT PLAN – PROGRESS REPORT</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>CHIEF EXECUTIVE</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>CLLR ANN MCLACHLAN</i>
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on progress delivering the Council's Improvement Plan. There is a summary of the key achievements to date as well as the activities scheduled in the next period. These are set out against the five priority themes around which the plan has been developed.
- 1.2 The report also provides a more general narrative which reflects the observations of the Improvement Board and the feedback from the recent Peer Challenge as well as highlighting some of the issues and challenges in relation to the next stage of delivery.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Improvement Plan was endorsed by the Improvement Board at its meeting on July 20th 2012 and formally approved by Cabinet on 6th September 2012.
- 2.2 The Plan is structured around the five improvement priority themes agreed through the early work of the Improvement Board, specifically:
- Leadership: Political and Managerial
 - Corporate Governance and Decision-Making
 - Corporate Plan
 - Budget and Financial Stability
 - Critical Services Areas: Safeguarding and Developing the Economy
- 2.3 To ensure there are clear lines of accountability for delivering the plan, a governance model has been developed and this was also approved by Cabinet at its meeting on 6th September. There is also an agreed reporting structure to ensure Executive Team regularly reviews the day to day delivery and Cabinet and the Improvement Board have regular oversight to ensure progress is being made.

3.0 PROGRESS AGAINST PRIORITY AREAS

PRIORITY 1 – Leadership: Political and Managerial

Target 1: Design and implement a leadership programme

- 3.1 Work has commenced on the scoping out and design of the new Wirral Council Leadership Programme. The Programme models the North West Collaborative Leadership Programme with specific scope to deliver to a wider range of leaders and managers at Wirral Council.
- 3.2 The approach to Elected Member development includes support for new Elected Members, the Skills for Wirral Councillors Programme and future plans for a dedicated Leadership Programme. There is also a commitment to achieving the North West Employers Organisation Member Development Charter. This activity is steered and championed by the Member Training Steering Group, comprising a representative from each Group and is chaired by Cllr Ann McLachlan, Deputy Leader of the Council and Cabinet Member, Improvement and Governance.
- 3.3 New draft Leadership Behaviours and revised Leadership Expectations have been developed and will be used to inform the Leadership Development Programme in terms of identifying needs around skills and knowledge gaps.

Target 2: Review best practice and put in place an effective model for elected members to work together

- 3.4 Changes have been introduced by the new Chief Executive in the way Elected Members are supported to ensure greater transparency and rigour. This involves a framework of regular briefings being scheduled to ensure there is a consistent and efficient model in place for briefing members.
- 3.5 Changes have also been introduced to move the scrutiny function from within the political groups to be embedded within the strengthened policy function. This will enable support for Executive and Leaders of the opposition parties to be better co-ordinated.
- 3.6 A new system of support for Ward Members is also being implemented via a Member Enquiries System within the Committee and Administrative functions of the Council.

Target 3: Develop a shared vision and purpose for the organisation

- 3.7 An event attended by 80 Members, Officers and Partners was held in September 2012 to begin the process of developing Wirral's vision. The keynote speakers were Carolyn Downes, Chief Executive, LGA and Tony Travers, visiting professor, London School of Economics and Political Science. Both were well received and the session provided useful information in setting out the current context for local government. Evaluation of the event highlighted the benefit of having a mix of Officers, Elected Members and partners together to share and hear the views of others. A further visioning session is being planned for December.
- 3.8 It has been recognised there has been a lack of a strong corporate management function both to drive through the improvement plan priorities and to transform the performance and delivery of Wirral Borough Council. In order to ensure the

organisational structure is fit for purpose, a management restructure has been instigated. The first phase of this restructure is to establish three new Strategic Directors reporting directly to the Chief Executive. Each will have responsibility for the co-ordination of a programme area consisting of a number of the current Departments. The programme areas covered by these Strategic Directors are:

- Families and Wellbeing
- Regeneration and Environment
- Transformation and Resources

This Strategic Management Team will be supported by two further posts, a Director of Policy, Performance and Public Health and a Head of Communications and Community Engagement.

3.9 A wider management restructure at the levels below Strategic Director is now under way with the aim of realising 33% reduction in management costs.

Target 4: Design & Implement a cultural change programme

3.10 Since January 2012 a wide selection of feedback and information has been gathered from across the organisation including the Corporate Governance Survey, the full Employee Engagement Survey, the confidential staff disclosure line, Destination Excellence Events and the sessions held by Michael Frater to inform the development of a cultural change programme. A summary of all this data has been created, outlining the values that stand out as being those that are most important for the future of the organisation. The values will be short, clear and easy to relate to and will reflect current good practice and provide Wirral with a contemporary framework within which to take the Improvement Plan forward. The values will underpin all future training and development across the organisation and will be vital in the roll out of Performance Appraisal and Development.

3.11 Summary of achievements for this reporting period:

- Management restructure underway with recruitment process commenced
- Leadership Programme scoped and initial design shared with Executive Team
- Member decision-making process revised
- Initial Visioning event undertaken
- Elected Members starting to complete Personal Development Plans
- Feedback to inform organisational values and behaviours collated

3.12 Summary of activities planned for next reporting period:

- Second visioning exercise to be undertaken
- Next stage of management restructure undertaken
- All Elected Member personal development requests collated, reviewed and where appropriate training commissioned.
- Leadership Programme design completed, target audience agreed and timeframe agreed for the 1st cohort
- NWEO Briefing to Member Training Steering Group on Member Charter and Self Assessment Undertaken
- Skills for Wirral Councillors Programme finalised and published
- Elected Member Accreditation Model launched
- Develop strategies for risk, IT, procurement

PRIORITY 2 – Corporate Governance and Decision-Making

- 3.13 There has been detailed work undertaken to ensure that the actions within the HESPE action plan (Cabinet, 18 October 2012) are embedded within the appropriate Improvement Plan targets and the recommendations are cross-referenced in the programme management system to enable clear tracking and reporting.

Target 1: Ensure that the Code of Corporate Governance and supporting policies are consistently understood and followed

- 3.14 The project team has undertaken an initial meeting to scope the key activities to deliver this target and these have been developed into a project initiation document. A session has been held with IT colleagues to ascertain the most appropriate method for developing, record managing and publishing the constituent policies of the code of corporate governance. A framework for review against the CIPFA / SOLACE framework has been developed with the next stage to examine existing Wirral policies against this and develop a timetable for review based on assessed priority.
- 3.15 Progress has been made on implementing the improvement measures proposed following the review undertaken in relation to Committee Services, agreed by Cabinet on 21 June 2012. New arrangements are in place to ensure reports included on the Cabinet Agenda are more effectively managed. This has resulted in the number of Cabinets reports being reduced considerably. A new workflow for the production and management of committee reports (through the Mod.Gov System) has been prepared and arrangements are in hand to amend the Mod.Gov System.

Target 2: Review and update Schemes of Delegation and support systems for decision making and provide appropriate training

- 3.16 The Council has appointed additional capacity in the form of an Interim Head of Legal and Member Services. The post holder took up his position on the 1 October 2012 and has undertaken a brief review of current arrangements and progress. The Interim Head of Legal and Member Services concluded that to deliver and implement an effective Officer Scheme of Delegation, it is vitally important that Senior Political Leaders, Senior Officers and other stake holders are engaged. The relationship between these parties will have a significant bearing on the nature, scope and effectiveness of any revised Officer Scheme of Delegation. The necessary arrangements needed to ensure engagement are being put in place.

Target 3: Strengthen contract procedure rules and management whilst ensuring that appropriate information is in place to enable informed decision making

- 3.17 A Procurement toolkit has been developed to provide support and guidance for the delivery of the procurement function throughout the Council. The Toolkit is designed to support the acquisition of goods, services, and works in the context of the Procurement Strategy and the Contracts Procedure Rules. This has been underpinned by a workshop programme delivered to departments on problematic areas such as tenders, European directives, the “Chest” system etc. The next phase will include shaping the toolkit into a more interactive, user friendly format.

- 3.18 Improvements on contract management will be made as many of the activities in the HESPE action plan are delivered through the revised risk management arrangements, improved procurement procedures, revised performance management arrangements and more effective internal audit. However, further work is required on contract procedure rules and the management of contracts following the let of a contract; this is currently being explored by the procurement and legal functions.
- 3.19 An action plan has been developed setting out the steps necessary to improve the Council's corporate risk management arrangements. This is now under way and a number of initial meetings have been held with Members and senior officers. Scoping work has also been undertaken to prepare for the implementation of the Risk Management functionality of the Council's Concerto business and project planning IT to support a consistent corporate approach to risk management.
- 3.20 A review of Internal Audit has been undertaken with key milestones for improvement developed into an action plan. This action plan has been cross-referenced to the HESPE action plan to ensure all recommendations are included. The existing Chief Internal Auditor has taken early retirement and a shared service with Liverpool is being developed. An overview of the improvements made to the internal Audit function will be reported to Audit & Risk Management Committee in January and to the Improvement Board in February, as per the HESPE action plan.

Target 4: Establish an effective and coordinated approach to shaping and implementing policy

- 3.21 The transfer of staff to the newly established Director of Policy, Performance and Public Health has been completed. A policy network has been established and Policy Briefings are being provided on a frequent basis.
- 3.22 Partners have been invited to a pre-meeting to discuss the establishment of a Local Public Service Board. The Public Service Board will allow for a more community oriented approach to transforming public services through working together at a neighbourhood level and focus on integrated planning and delivery, responsive and proactive provision, shared resources and more effective partnership structures.
- 3.23 **Summary of achievements for this reporting period:**
- Policy unit establish.
 - Policy network created.
 - Policy briefings disseminated.
 - The introduction of revised leadership arrangements in Audit, including a shared service approach with Liverpool.
 - Procurement toolkit developed and road shows with Departments undertaken.
- 3.24 **Summary of activities planned for next reporting period:**
- First meeting of Local Public Service Board to take place.
 - A revised Officer Scheme of Delegation will be drafted.
 - Amendments to the Mod Gov system will be completed.
 - Evidence base for the development of the Corporate Plan developed.
 - Strategies for risk and procurement will be drafted to reflect the outcomes of the reviews of these functions.
 - Further work is required to plan the key activities to deliver the targets on:

- Strengthening Contract Procedure rules and management whilst ensuring appropriate information is in place to enable informed decision making
- Engaging with local and sub-regional partners to shape and respond to policy developments and implement decisions.

PRIORITY 3 – Corporate Plan

Target 1: A clear set of priorities based on understanding our customers’ needs and expectations

- 3.25 The Corporate Plan 2012-15 was refreshed and agreed by Cabinet on 10 July 2012. This will provide a framework for delivery during 2012-13 whilst a revised Corporate Plan aligned to the medium term financial plan is developed.
- 3.26 Phase one of the “What Really Matters” consultation was undertaken with the views of more than 7,000 people considered by Cabinet as they deliberated the results. During the course of the consultation the views of more than 13,000 people were sought at over 150 events. Locations such as shopping centres, supermarkets, community centres, cinemas and bingo halls were visited to make sure that as many people as possible had the opportunity to have their say. The findings have provided good insight into the priorities of our communities which will inform the service reviews undertaken to develop budget saving options.

Target 2: Develop a Corporate Performance Management Framework

- 3.27 The Executive Team considered a proposal for the development of a new corporate performance management framework based on the key principles of centralising resources and adopting a business partnering approach to delivering intelligence and analysis. The proposals also include the development of a number of performance dashboards to advise officers and members of key information on the council’s performance on a regular basis. This will include a Cabinet dashboard as well as dashboards for scrutiny.

Target 3: Objectives aligned to individual performance appraisal and development

- 3.28 The new Performance Appraisal & Development process has been agreed for Senior Managers and above in the first instance. Performance Appraisal & Development discussions commenced in October 2012, with the Chief Executive being the first to take part. All Directors and Heads of Service will have been appraised before December 2012. Development needs identified during these discussions will feed into the options around leadership development.
- 3.29 The newly developed Leadership Behaviours and revised Leadership Expectations will underpin the Performance Appraisal and Development process and will inform the Leadership Development Programme in terms of identifying needs around skills and knowledge gaps. The roll out of 360 degree feedback against the new Leadership Behaviours will commence from April 2013 as part of the six monthly Performance Appraisal & Development reviews.
- 3.30 **Summary of achievements for this reporting period:**
- Revised Corporate Plan (2012-15) agreed.
 - Phase one of the “What Really Matters” consultation undertaken.

- Proposals for new corporate performance framework agreed by Executive Team.
- Corporate Performance moved under the newly established post of Director of Policy Performance and Public Health.

3.31 **Summary of activities planned for next reporting period:**

- Development of a Corporate Plan 2013-16.
- Phase two of the “What Really Matters” consultation to be undertaken.
- Consult elected members on an on-going basis to establish and refine performance requirements and products (e.g. monthly balanced scorecards, annual performance statement etc).
- Development of a performance dashboard
- All Directors and members of The Executive Team completed Performance Appraisal & Development Review
- All Heads of Service completed Performance Appraisal & Development Review
- Preparation and training delivered for Senior Managers (anyone reporting to a Head of Service)

PRIORITY 4 – Budget and Financial Stability

Target 1: Ensure that the service review and consultation programme reflects the impact of reducing levels of resources

3.32 Since mid-August, there has been a dual focus of dealing with the in-year financial challenges and budgetary overspend, as well as developing a transparent budget process for 2013-16.

3.33 In order to deal with the immediate financial challenge and overspend the following measures were introduced:

- Monthly risk-based monitoring introduced, rather than quarterly
- The implementation of a spending freeze
- A reduction in the projected revenue overspend from £17m (at Month 3) to £13.2m (at Month 6)
- A Zero Based Budget (ZBB) exercise undertaken to identify and eliminate bad budgets, and so provide a sound basis for the following years budgets
- A revised approach developed for spend to save investment, saving £2m in-year
- A risk based approach devised for managing Balances
- An elimination of £20m of legacy capital schemes

3.34 The following activities have been undertaken to ensure a transparent process is undertaken for the budget 2013-16:

- Revised budget targets – with 2013-14 up from £25m to £39m
- A challenge process introduced for examining savings, growth and assumptions
- Frameworks, to judge progress financially and politically, for:
 - Savings – over 10 lines of enquiry
 - Growth – over 5 areas
- A revised budget timetable resulting in a plan for savings £40m/£40m/£20m over the next three years
- A transparent savings list, released on November 9th to the public, showing all the options for consideration.

Target 2: Review governance and scope of Strategic Change Programme

3.35 The current Strategic Change Programme was agreed by Cabinet (21 February 2012). However, the delivery of savings through this programme has primarily been monitored through the revenue budget monitoring process. The existing Change Team have been focussed on developing and reviewing savings options and planning for their implementation with Departments. A longer term strategy for the programme and the role of the team will be developed following the appointment of the Strategic Director for Transformation and Resources.

3.36 Summary of achievements for this reporting period:

- Budget savings options developed by officers
- Revenue spending freeze implemented
- Capital spending freeze implemented
- Recruitment freeze implemented
- Monthly budget monitoring implemented for revenue & capital spending

3.37 Summary of activities planned for next reporting period:

- Further work is required to develop an evidenced based commissioning strategy informed by clearly identified needs. This is linked to recommendation 4 of the HESPE action plan which is to “Resolve the relationship of Procurement and Commissioning”.
- Further roll out of the Concerto system to coordinate corporate risk management arrangements.
- There is further work required on reviewing the governance and scope of the Strategic Change Programme, which will take shape following decisions made at special Cabinet on 20 December 2012.

PRIORITY 5 – Critical Services Areas: Safeguarding and Developing the Economy

Target 1: Deliver improvements in safeguarding, through implementation of the action plan arising from the safeguarding peer review

3.38 The peer review draft improvement plan was reported to Health and Well Being Overview & Scrutiny committee on 10 September. Discussions are ongoing to ensure there is a single reporting mechanism on the delivery of this action plan to avoid duplication.

Target 2: Develop approach to enhancing and adding value to the local economy through 'your Economy' goals and focuses

3.39 The Improvement Board (19/10/2012) received a presentation from the Director of Regeneration, Housing & Planning on the LGC award for Sustainable Economic Development. The Board agreed the work ongoing in this area was admirable, and that whilst the Economy remains a clear priority for the Council, the Board agreed that the Investment Strategy Board was the most appropriate forum for overseeing this important work.

4.0 OVERALL SUMMARY OF PROGRESS

- 4.1 Alongside progress against the specific priorities and targets detailed above, additional work has been undertaken to support the Council's improvement journey more generally. A high level communications plan has been developed to promote the work of the Improvement Board and a wider, more general communications strategy has been created to support delivery of the plan itself.
- 4.2 A key measure of the Improvement Plan's success will be that change is delivered across all parts of the organisation and at all levels. An essential component in support of this will be the development of a Change Management Strategy that sets out *how* the change process will be managed. A Change Management Framework (based on the Kotter 8-step model) has been developed that addresses the immediate challenges and priorities. However, it is recognised there will be a need to develop a more comprehensive Change Management Strategy for the long term once some of the fundamental decisions have been taken about the vision and future shape of the organisation.
- 4.3 As an independent and neutral observer of the Council's improvement process, the Improvement Board has acknowledged the real progress being made by the Council since endorsing the Improvement Plan in July. The Board has specifically noted the new culture at the top of the organisation and the successful collaboration between the new Chief Executive and the three party leaders. The recent decision to move to a bi-monthly meeting schedule is clear evidence the Improvement Board is confident that the momentum for change has been established and the Plan has now moved into the implementation phase. However, the Board has also highlighted the need for the Council to develop a narrative to provide a better sense of direction and a clearer picture of the outcomes and impact we are working towards.
- 4.4 There has been further independent endorsement of the progress being made through the recent Peer Challenge process. Whilst it is recognised the Council still has much to do and improve upon, the initial feedback provided includes the following statements:
- The Council has a good grasp on the scale and urgency of the challenges faced
 - The overall strategy we are working to is appropriate
 - The approach, pace and sequencing of change makes sense. There are significant risks but no alternatives.
 - There is clear and visible leadership and an organisation that is up for the change
 - There are underlying strengths in the organisation
 - Keep sharpening your strategic planning, risk management and thinking ahead
 - Some key decisions need to be made over the next few weeks – an important phase of improvement – maintain your resolve
 - The Improvement Board is right to reflect the progress being made by the council by evolving to a monitoring and challenge role and reducing the frequency of meetings

5.0 NEXT STEPS

- 5.1 A key theme running through the feedback received from the Improvement Board and the Peer Assessment is the need for the Council to maintain momentum. This message is clearly understood and forms a key element of the emerging Change Management Framework. However, it should be recognised the organisational restructure and

budget reductions that are the immediate priorities and challenge for the organisation could have a delaying impact on other areas of the Improvement Plan in the short term.

5.2 The next steps under each priority area within the plan have been set out above. A key focus for the Improvement Team will be to ensure these activities are being progressed. However, given the potential impact of the management restructure on both the timetable and capacity to deliver the Improvement Plan, another key focus for the team will involve re-scheduling activity where necessary and undertaking a gap analysis to ensure the impact of any reduction in management capacity is identified and addressed in relation to progressing the delivery of the Improvement Plan.

6.0 RELEVANT RISKS

6.1 A Programme Risk Register has been developed by the Executive Team and the latest version is included in Appendix 1.

7.0 OTHER OPTIONS CONSIDERED

7.1 The Improvement Plan is considered to be the only option for the Council and as such, no other options have been considered.

8.0 CONSULTATION

8.1 The development of the Improvement Plan has been undertaken in consultation with the Improvement Board and elected members. Activity within the plan has been informed by consultation with staff through the staff surveys undertaken this year.

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

9.1 There are none arising directly from this report.

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

10.1 The initial resource requirements for delivering the Improvement Plan were assessed and reported to Cabinet 06 September 2012. No further resource requirements have been identified at this stage.

11.0 LEGAL IMPLICATIONS

11.1 Delivery of the Improvement Plan involves reviewing and refreshing a number of core documents including the Council's constitution, the Scheme of Delegation and the Member / Office protocol. Where necessary i.e. when a key decision is required, these will be reported to Cabinet separately.

12.0 EQUALITIES IMPLICATIONS

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

(a) Yes – an initial EIA was undertaken but as this is an update report and not a proposal for consideration this did not progress beyond the initial EIA.

13.0 CARBON REDUCTION IMPLICATIONS

13.1 There are none arising directly from this report.

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 There are none arising directly from this report.

15.0 RECOMMENDATION/S

15.1 Members are requested to note progress against the Improvement Plan

16.0 REASON/S FOR RECOMMENDATION/S

16.1 The people who live, work and enjoy leisure on the Wirral deserve excellence from their Council. Recent external assessments show that in some areas, particularly corporate governance, we have fallen short of that standard.

REPORT AUTHOR: *Fiona Johnstone*
Director of Policy, Performance & Public Health
0151 651 3914
email: Fiona.Johnstone@wirral.nhs.uk

APPENDICES

Appendix 1 – Risk Register
SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	6 th September 2012

Appendix 1: Improvement Plan Risk Register

Risk Description	Existing Controls	Net Likelihood Score	Net Impact Score	Net Total Risk score	Planned Additional Controls
GOVERNANCE					
Officers and Elected Members do not adhere to the roles and responsibilities set out in the governance arrangements of the improvement plan	<ul style="list-style-type: none"> Member and officer protocol Improvement Board endorsement of programme management arrangements 	2	3	6	<ul style="list-style-type: none"> Revised member officer protocol and training Cabinet approval of programme management arrangements
The roles and responsibilities relating to programme governance are not understood	<ul style="list-style-type: none"> Member briefings Regular reporting on progress / issues / risks 	3	4	12	<ul style="list-style-type: none"> Member engagement through scrutiny Review effectiveness of governance model / identify weaknesses and areas of improvement
Unrealistic stakeholder expectations of the ability to deliver the plan whilst also delivering against other Council priorities	<ul style="list-style-type: none"> Member briefings Regular reporting on progress / issues / risks 	2	4	8	<ul style="list-style-type: none"> Clear prioritisation from 'what really matters'
CAPACITY					
Failure to create sufficient capacity within the key group of officers responsible for delivering the Plan	<ul style="list-style-type: none"> Initial resource plan endorsed by Improvement Board 	3	5	15	<ul style="list-style-type: none"> Detailed resource planning Cabinet approval for additional resources Robust business planning Ensure resource requirements to deliver the plan are included in the budget setting process
Insufficient capacity in the wider workforce	<ul style="list-style-type: none"> Workforce planning Performance management arrangements 	3	5	15	
Executive Team focus on what is urgent rather than what is important.	<ul style="list-style-type: none"> Improved working arrangements for Executive Team Appointment of interim senior officers 	3	3	9	<ul style="list-style-type: none"> Appointment of Strategic Directors Transparent Council HoS Project Empowerment Project Review Business Systems Project Implementation of HR Self Serve Project
Failure to allocate sufficient resources (financial IT etc) to support the delivery of the Plan	<ul style="list-style-type: none"> Delivery of the Improvement plan has been deemed critical by Executive Team Initial resource plan in place 	2	5	10	<ul style="list-style-type: none"> Detailed resource planning Ensure resource requirements to deliver the plan are included in the budget setting process
ENGAGEMENT & COMMUNICATION					
Executive Team does not connect strongly and overtly with the key group of officers responsible for delivering the Plan	<ul style="list-style-type: none"> Senior management briefings 1 2 1 / appraisal process Head of Service Group and Project Teams 	2	3	6	
Staff are not effectively and universally engaged in the Improvement Plan and progress is not communicated clearly.	<ul style="list-style-type: none"> Key messages disseminated in Senior management briefings Key messages disseminated in One brief Key messages disseminated in Authority wide broadcasts Key messages from Improvement Board available on the Council's intranet 	2	5	10	<ul style="list-style-type: none"> Improvement plan will be available on the Council's intranet Communication strategy

Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Michele Duerden

Email address: micheleduerden@wirral.gov.uk

Head of Section: Michele Duerden

Chief Officer: Fiona Johnstone

Department: Policy, Performance & Public Health

Date: 06/11/2012

Section 2: What Council proposal is being assessed?

None, this report is to inform Cabinet of progress against the Council's Improvement Plan.

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

Please add hyperlink to where your EIA is/will be published on the Council's website

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 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 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

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?

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

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

Yes / No – (please delete as appropriate)

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 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 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 for re-publishing.

WIRRAL COUNCIL

CABINET

29TH NOVEMBER 2012

SUBJECT:	EGERTON HOUSE
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF REGENERATION, PLANNING AND HOUSING
RESPONSIBLE PORTFOLIO HOLDER:	CLLR PAT HACKETT REGENERATION AND PLANNING STRATEGY
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

1.1 This report outlines to Cabinet details regarding a proposed merger of Wirral Investment (Management) Network (WiN) with Egerton House (Wirral) Ltd. The proposed merger will create a new business support organisation 'Wirral Business Partnership' that will continue to operate from the Egerton House building, further enhancing the delivery of business support activity within the Borough. The Council has been asked to endorse the proposed merger and nominate two representatives to sit on the Board of Wirral Business Partnership. Furthermore, the Council have been asked to consider a new 20 year lease relating to the Egerton House facility, which is effectively a 10 year extension to the current lease which expires in 2022.

2.0 BACKGROUND AND KEY ISSUES

EGERTON HOUSE (WIRRAL) LIMITED

2.1 Since 1993, Egerton House, Tower Road, Birkenhead has been operated as a managed business centre. The Council has long supported Egerton House, initially through contributions to the funding of the renovation and refurbishment works to transform it from a derelict warehouse into a functional and well-equipped business centre. The Councils Invest Wirral Team has been located within the facility since the mid 1990's.

2.2 In November 2001, Cabinet agreed to the transfer of the freehold interest to the Council in Egerton House from CEWTEC Limited and Wirral Business Enterprise Limited (WBE), two public organisations who were disbanded in the same year. Following the transfer of the asset to the Council a new company, Egerton House (Wirral) Limited (Company

Number 04344676) was formed for the purpose of managing the building and the business centre on a not for profit basis.

- 2.3 On 16th July 2002, the Council granted a 20 year Lease of Egerton House to Egerton House (Wirral) Limited with a peppercorn rent. The Lease included specific provision to state that Egerton House was to continue to be commercially managed as a business centre, ensuring that a minimum of 50% of the overall lettable space will be available to SME's with genuine growth potential, with other parts of the facility offering an incubator facility for small businesses.
- 2.4 Egerton House (Wirral) Limited has operated in line with this agreement over the last ten years, with specific facilities being developed over the last two years for supporting micro businesses.
- 2.5 Currently, the Council have one elected member as a Director of Egerton House (Wirral) Limited as an approved duty and appointment. The Director of Regeneration, Housing and Planning also acts as an advisor to the Board to ensure compliance with the terms and conditions of the lease. The Head of Invest Wirral is currently seconded to Egerton House for two days per week to undertake the role as general manager.

WIRRAL INVESTMENT NETWORK (WiN)

- 2.6 WiN operates as a company limited by guarantee, and the Director of Regeneration, Planning and Housing is a Director on the WiN Board. WIN is an influential partnership between private and public sector organisations in Wirral. Since 1993, it has been instrumental in supporting many major regeneration projects as well as working to establish new business support initiatives.
- 2.7 WiN's objectives include:
- To collectively promote Wirral as a desirable and excellent location to live, work, invest and visit.
 - To provide an effective means of exchanging information, networking, facilitating productive discussion and informing public policy.
 - To create and maintain a constructive and reciprocal relationship at the highest level between the private sector, local authority and other public agencies.
 - To promote informed discussion and the development of strategic ideas supporting investment, regeneration, enterprise and associated programmes.
- 2.8 Since 2007, WiN and Wirral Borough Council have worked in partnership

to develop sector based cluster groups for Wirral Businesses. The groups are open to any business trading in Wirral and aim to engage the private and public sector to maximise the economic success of Wirral. The sectors supported are:

- Business and Professional Services
- Manufacturing and Food and Drink
- Science, Technology, Environmental and Health
- Maritime and Logistics
- Tourism and Retail
- Construction
- Digital and Media

- 2.8 The WiN Executive Board provides strategic direction to the main WiN Board focusing on the contribution the private sector can make to the implementation of The Council's Investment Strategy. Both the Executive Board and the Main Board have private sector chairs.
- 2.9 The current President of WiN is Esther McVey MP and the Hon Vice President is Lord Lyndon Harrison. The Director of Regeneration, Housing and Planning is currently the Council representative on both the Executive and main WiN Board.

WIRRAL BUSINESS PARTNERSHIP

- 2.11 On 22nd October 2012, the Egerton House (Wirral) Limited Board agreed a proposal to merge with the Wirral Investment Network (Management) Limited, whose members had agreed the merger proposals at its Main Board meeting on 4th October. This will effectively be an acquisition of Wirral Investment Network (Management) Limited by Egerton House (Wirral) Limited with effect from December 2012.
- 2.12 Egerton House (Wirral) Limited will change its trading name to 'Wirral Business Partnership' and will remain as a company limited by guarantee. Wirral Business Partnership will assume all the assets of Wirral Investment Network (Management) Limited including all cash held in reserve, fixed and tangible assets and the staff employed. WiN will remain in existence as a non trading company. A shadow board will be put in place with immediate effect and new Memorandum and Articles of Association for the Wirral Business Partnership are currently being drafted. The Director of Regeneration, Housing and Planning has been invited to become a member of the shadow board until a new board is appointed to take charge of Wirral Business Partnership with effect from January 2013.
- 2.13 Discussion has taken place as to the constitution and membership of the

new Board and the Council has been asked to nominate two representatives onto the new Board, which will have a minimum of 8 members and a maximum of 16. The following objectives will provide the main focus for the new organisation:

- To develop an extensive open-to-all approach to business membership across Wirral;
- To provide a voice for and on behalf of the private and social enterprise sector in Wirral, to articulate the needs of the business community and how jobs can be achieved;
- To deliver activities, workshops and events that promote and develop business in Wirral;
- To inform, and where appropriate, to partner the public sector and other organisations in the development and delivery of services that are truly forward thinking and business responsive;
- To develop and manage a portfolio of managed business workspace to meet existing demand and enable opportunities to be sought for business growth and enterprises to be developed and nurtured;
- To promote success stories from within the Wirral business community through marketing and social media campaigns.

EGERTON HOUSE BUILDING

- 2.14 As part of this formal request, the Chair of Egerton House (Wirral) Limited has asked the Council to consider a new 20 year lease for the building, effectively up until 31st March 2033. The letter is attached at Annex A to this report.
- 2.15 The Egerton House building is currently leased to Egerton House (Wirral) for a period up to 31st March 2022. To accommodate this request, the Council will need to agree to surrender of the present Lease and the granting of a new Lease to the Wirral Business Partnership and make arrangements for the surrender and new Lease to be completed.
- 2.16 The rationale for the request for the new Lease is to allow the new organisation to use the strength of a long term leasehold agreement. with the Council to further develop its business activities to provide quality business accommodation for SME's and micro-businesses.
- 2.17 For example, Egerton House currently has a sizable waiting list of businesses wishing to locate at the Centre and one of the key considerations of the new organisation is to look at potential expansion of Egerton House as a business centre operator to satisfy this demand.
- 2.18 It is proposed that, subject to Cabinet approval, Wirral Borough Council

agrees to nominate the Leader of the Council and the Strategic Director for Regeneration and Environment to the Board of the Wirral Business Partnership. It will also be requested that the new Board ensure that the Council's assets can be safeguarded, and that the Memorandum and Articles of Association provide for the Council's representatives on the Board having a majority vote in any decisions relating to the use of Council assets.

3.0 RELEVANT RISKS

- 3.1 The main risk is to the Council's asset, Egerton House. The Council representatives that have been proposed to the Board will be responsible for ensuring that any key decisions relating to the Council's asset are in line with the conditions of the lease and in line with the Council's best interest. The Director of Regeneration, Housing and Planning will request that this is reflected within the Memorandum and Articles of Association of Wirral Business Partnership.
- 3.2 The merger of Wirral Investment Network (Management) Limited with Egerton House (Wirral) Limited has been proposed by the two organisations, both of which are independent to the Council.
- 3.3 Any negotiations authorised by Cabinet in regards to the Surrender of the current Lease and granting of a new Lease, will consider the provision within Section 123 of the Local Government Act 1972 regarding Best Value.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 This matter relates to the request received from Egerton House (Wirral) Limited in respect of a 20 year lease. A Deed of Surrender/ New Lease has been deemed to be the most appropriate to action this request, subject to Cabinet approval.

5.0 CONSULTATION

- 5.1 This report is consistent with the principles of Wirral's Investment Strategy, which provides the framework for business support activity and this has been reviewed following an extensive consultation with partners. The development of the proposals has also been informed by the consultation which has taken place with a number of private sector partners and through Invest Wirral's Business Forum and the sectoral cluster groups, as well as the Board members of both the WiN Board and the Egerton House Board.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 None as a result of this report.

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

7.1 The current lease in place between Wirral Borough Council and Egerton House (Wirral) Limited for the Egerton House building is dated 16th July 2002 and is for a period of twenty years at a peppercorn rent. Any profit made by Egerton House (Wirral) Limited is reinvested back into its operations.

7.2 Subject to the requisite consents being obtained in paragraph 4.1 above, the proposed deed of surrender, and the Lease of Egerton House will require officer time to prepare and complete the necessary documentation.

7.3 The financial implications of accepting the surrender of Egerton House Limited and the grant of a new Lease to Wirral Business Partnership will be considered, along with the agreed terms of both, in a subsequent report.

7.4 Egerton House (Wirral) Limited currently pick up the running costs of Egerton House. Therefore, the cost to the Council is the notional loss of any profit from future activities, post the expiry of the current lease in 2022. The operating profit before tax of Egerton House (Wirral) Limited has been on average £50,000 for the last three years, although this income isn't necessarily all accounted for by the sub-letting and management of the building. The new organisation will continue to provide the running costs for Egerton House if a new 20 year Lease is entered into, subject to Cabinet approval. Any profit made by the new organisation will continue to be invested into its operations as a not for profit company.

8.0 LEGAL IMPLICATIONS

8.1 When the freehold of the Egerton House building was transferred to the Council on 16th July 2002, certain conditions were passed on, including the grant requirements of funds used to carry out certain works to the building. Consequently, the redemption fee deed dated 16th July 2002 between the Council and The Secretary of State for Education and Skills states that upto 16th July 2022 the lease to Egerton House (Wirral) Limited must provide :

- that the Property shall only be used for the provision of managed workspace, providing advice and support to small and medium sized enterprises;

- that the users of the Property shall not be subject to any geographical limitations and that as part of the permitted use the Property will be used for the furtherance of Government policy with the development of education, training skills and business support both generally in the local community and further afield
- and that the Council will not agree any alteration to the current Lease of Egerton House or make any alteration to the Lease without prior written consent of the [successors in title to the Secretary of State for Education and Skills] and Officers are pursuing this and will ensure that the proper consent is obtained relating to any proposed surrender of the current Lease and proposed granting of a new Lease

- 8.2 Wirral Business Partnership will continue to deliver this provision for at least the period specified within the redemption fee deed, but has formally requested that the Council will by accepting a surrender of the present Lease and by granting a new Lease with a peppercorn rental which is to terminate on 31st March 2033 will allow the new organisation to undertake business development activities supported by a longer term lease, subject to the requisite consents being obtained in paragraph 2.17 above.
- 8.3 Subject to Cabinet approval, any proposed negotiations for the surrender of the current Lease and granting of a new 20 year lease of Egerton House to Wirral Business Partnership will be conditional on the following:
- a. That the Council obtains the relevant authority of the Secretary of State who has assumed responsibility for the legal conditions relating to the redemption fee deed signed 16th July 2002;
 - b. The Memorandum and Articles of Association of Wirral Business Partnership have provision which allows Council representatives to safeguard the use of Council assets
 - c. Egerton House (Wirral) Limited and/or Wirral Business Partnership contribute towards the Councils reasonable legal and surveyors costs incurred in preparing and completing the appropriate Deed of Surrender/ Lease documentation and obtain the proposed written consent of the Secretary of State as provided for in the redemption fee deed relating to the proposed Surrender and new Lease.
- 8.4 Subject to members agreeing the recommendations of this report, a further report will be brought back to members by the Interim Director of Law, Asset Management and HR to confirm the conditions listed in 8.3 have been met, and detailing the agreed terms of the proposed Deed of Surrender between Wirral Borough Council and Egerton House (Wirral) Limited the proposed new Lease between Wirral Borough Council and Wirral Business Partnership in regards to the Egerton House building. This

will take into consideration Section 123 of the Local Government Act 1972 in respect of Best Value.

- 8.5 The current representation of Wirral Borough Council on the boards of Egerton House (Wirral) Limited and Wirral Investment Network (WiN) will be removed from the list of Council approved duties and appointments, and the representatives that will sit on the Board of Wirral Business Partnership will be added to the same list for endorsement at the next Council meeting.

9.0 EQUALITIES IMPLICATIONS

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

(a) Yes and impact review is attached – *(insert appropriate hyperlink)*.

This links to the existing EIA conducted for Wirral's Investment Strategy
<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 None as a result of this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 Non as a result of this report.

12.0 RECOMMENDATION/S

- 12.1 It is recommended that Cabinet endorse the merger of Wirral Investment Network (WiN) and Egerton House (Wirral) Limited to form a new company 'Wirral Business Partnership' with the intention of delivering high quality business support activity within the Borough;
- 12.2 Cabinet are asked to agree the nominations to the Wirral Business Partnership Board of the Leader of the Council and the Strategic Director of Regeneration and Environment;
- 12.3 That the Acting Director of Law, Asset Management and HR be authorised to enter into negotiations for the surrender of the current Lease of Egerton House from Egerton House (Wirral) Limited and the grant of a new Lease to Wirral Business Partnership on terms to be agreed and reported back to Cabinet. This is subject to the conditions outlined within para 8.4 of this report being met.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 To enhance the delivery of business support activity within the Borough by supporting the merger of two key organisations to form Wirral Business Partnership.

REPORT AUTHOR: **Alan Evans**
Strategic Investment and Partnerships Manager
Telephone: (0151) 691 8426
Email: alanevans@wirral.gov.uk

APPENDICES

Letter from the Chair of Egerton House (Wirral) Limited

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet Egerton House Trust	8th March 2001
Cabinet Egerton House, Tower Road, Birkenhead and the Cavendish Business Centre, Brassey Street, Birkenhead	29th November 2001
Cabinet Egerton House, Tower Road, Birkenhead and the Cavendish Business Centre, Brassey Street, Birkenhead	14th March 2002

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EGERTON HOUSE
Supporting Enterprise in Wirral

Kevin Adderley
Director of Regeneration, Housing and Planning
North Annexe
Brighton Street
Wallasey
CH44 8ED

9th November 2012

Dear Kevin

Egerton House, 2 Tower Road, Birkenhead CH411FN

I am writing on behalf of the Board of Egerton House (Wirral) Limited regarding an additional 20 year lease.

As you will be aware, Egerton House is firmly established as a premier business location in Wirral and has a not-for-profit commitment to supporting local enterprise.

Egerton House is the location of Wirral Council's business support team, Invest Wirral, has been a proactive centre for enterprises looking for an office environment to encourage opportunity for growth.

As such, since it first opened in 1993, hundreds of companies have passed through, and currently it is home to over 30 occupiers within its facilities.

Following discussion with the Wirral Investment Network (WiN), it has been agreed that the boards of WiN and Egerton House will undertake a merger to form a new venture known as Business Wirral Ltd which can take forward the Wirral's Investment Strategy, and support the growth of Wirral businesses, membership services, and facilities management.

This new organisation – Business Wirral Partnership would be based within Egerton House to enable the delivery of a series of key objectives:-

Egerton House Wirral Ltd
Egerton House,
2 Tower Road,
Birkenhead, Wirral,
CH41 1FN

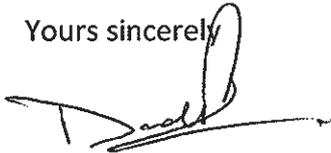
T: +44 (0) 151 650 0555
F: +44 (0) 151 650 0777
W: www.egertonhouse.co.uk
E: info@egertonhouse.co.uk

The following areas will form the main thrust of Business Wirral Partnership objectives:

- To develop an extensive open-to-all approach to business membership across Wirral
- To provide a voice for and on behalf of the private and social enterprise sector in Wirral, to articulate the needs of the business community and how jobs and business growth can be achieved
- To deliver activities, workshops and events that promote and develop business in Wirral
- To inform, and where appropriate, to partner the public sector and other organisations in the development and delivery of services that are truly forward thinking and business responsive
- To develop and manage a portfolio of managed workspace to meet existing demand and enable opportunities to be sought for business growth and enterprises to be developed and nurtured.
- To promote through public relations and marketing media business success stories from within Wirral community

From this it is essential that continuation of the support and facilities of Egerton House will be key to the provision of support services in Wirral, therefore, the extension of the lease for an additional 20 year period is a key component in the long term project plan.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David L Prior', with a long horizontal flourish extending to the right.

David L Prior
Chairman

Equality Impact Toolkit (new version February 2012)

Section 1: Your details

Council officer: Rose Boylan

Email address: rosemaryboylan@wirral.gov.uk

Head of Service: David Ball

Chief Officer: Kevin Adderley

Department: Regeneration, Housing and Planning

Date: March 2012

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

Wirral's refreshed Investment Strategy. The Strategy sets out an ambitious vision for Wirral to secure its economic future by attracting investment, reducing economic inequalities and creating sustainable employment opportunities for the people of the Borough.

This Phase 2 EIA updates previous versions to reflect the new EIA requirements as at February 2012. We are also now in the process of developing 3 sub-strands to deliver the Investment Strategy; People, Places and Business, and a corresponding EIA is being developed for each of the 3 strands, as projects and initiatives move into delivery.

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

No If 'yes' please state which meeting and what date

.....
And please add hyperlink to your published EIA on the Council's website

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

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

- Services**
- The workforce**
- Communities**
- Other** (please state) Partners and local Businesses

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 for publishing)

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 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.

Overarching Rationale

The Investment Strategy is intended to improve Wirral's overall economic performance and economic well being across the Borough. The Strategy recognises that economic inequalities exist within the population, and that the Council and our partners will seek to address these inequalities through targeted regeneration interventions and specific projects.

The 3 subsequent EIAs for People, Places and Business will set out in more detail the positive impacts that a specific project may have in tackling inequalities – for example, through support to people with Learning Disability into employment; or projects to reduce Child Poverty; or provision of Business Support to female entrepreneurs.

Protected characteristic	Positive or negative impact	Action required to mitigate any negative impact	Lead person	Timescale	Resource implications
For all of the protected groups, the Strategy aims to reduce economic inequalities	Positive: An increase in employment, training and self enterprise opportunities, particularly for those economically disadvantaged or living in deprived neighbourhoods	N/a	Investment Strategy: Rose Boylan People strand: Rose Boylan Places strand; Richard Lewis Business strand; Paula Basnett	The Investment Strategy covers the period 2011-2016	Staff to deliver the Strategy Financial resources to deliver specific interventions

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

Regular monitoring and review of the Investment Strategy takes place with elected members, beneficiaries and our partners. We also regularly review the impact and effectiveness of our economic interventions and projects. We collate monthly and quarterly statistical data as well as qualitative feedback on how we can continuously improve the maximum positive benefit of the proposed interventions, and to adapt and develop appropriate new ones as necessary.

The subsequent People, Places and Business EIAs will set out in more detail how specific projects will be monitored to demonstrate their impact in reducing economic inequalities for specific groups.

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

Economic inequalities exist across a wide range of groups in the population. The Investment Strategy and subsequent People, Places and Business interventions by the Council and our partners aim to address and mitigate these inequalities. It is therefore envisaged that the Investment Strategy will not have any negative impact.

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

The Investment Strategy is built on a strong evidence base, developed through a detailed and robust analysis of Wirral's economy, and using on ongoing economic analysis and intelligence. We produce regular economic profiles that are used to review the Strategy and to inform effective interventions, programmes and projects.

Wherever possible, we use information that enables analysis of economic inequalities and disadvantaged groups (eg poverty, gender, ethnicity, disability) or spatial areas.

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

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 for publishing)

Section 8: How will consultation take place?

Extensive consultation with Wirral residents and partners has already taken place as part of the refresh of the Investment Strategy. During 2010 and 2011, we reviewed our economic priorities with local residents through the Wirral's Future (2010) and Neighbourhood Planning (2011) consultations; and also through consultation with our strategic partners, including Wirral Economic Development & Skills (WEDS) Partnership; the Investment Board; and Wirral's Business Forum.

Alongside these extensive consultations, we have also carried out in-depth analysis of Wirral's current economic profile, using a number of key indicators of economic performance.

Spatial planning and 'Place' priorities are also being identified through the Local Development Framework (LDF) process which includes extensive public consultation at various stages of its development.

As stated above in section 5a, we have an ongoing process of consultation and feedback with key partners to review the effectiveness of interventions, and to adapt and develop appropriate new ones as necessary.

Additional consultation will also take place as appropriate, as new People, Places and Business interventions are developed.

Before you complete your consultation, please email your 'incomplete' EIA to 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 for re-publishing.

Section 9: Have you remembered to:

- a) **Add a hyperlink to your published EIA on the Council website?** (section 2b)
- b) **Include any positive impacts as well as negative impacts?** (section 5)
- c) **Send this EIA to 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 via your Chief Officer for re-publishing?**

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WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT:	CONTRACT FOR STREETSCENE SERVICES - ARBORICULTURE – 2013 TO 2015
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF TECHNICAL SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR HARRY SMITH STREETSCENE AND TRANSPORT SERVICES COUNCILLOR CHRIS MEADEN CULTURE, TOURISM AND LEISURE
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report advises Members of the completion of the “Streetscene Services Arboricultural Contract 2008 to 2010” and seeks Members’ approval for the proposals to provide a continued service in the short-term, together with proposals for the next Arboricultural Contract.
- 1.2 This report also advises Members of the long-term proposals to return the maintenance and management of the arboricultural services in-house.
- 1.3 The maintenance of all aspects of the highway infrastructure, including highway trees, is a statutory duty imposed on the Council as Highway Authority.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 On 13th March 2008, Members approved the appointment of Amenity Tree Care Ltd as the Principal Contractor for the “Streetscene Services Arboricultural Contract 2008 to 2010” for a period of up to three years, with an option to extend the Contract for an additional two years, if required. Amenity Tree Care Ltd has been responsible for highway tree maintenance since April 2008, working in partnership with the Council.
- 2.2 Due to a lack of in-house resources to undertake larger tree maintenance schemes, Members gave their approval on 18th March 2010 and 24th November 2011 for the extension of the existing Contract with Amenity Tree Care Ltd on the same terms and conditions until 31st December 2012.

3.0 PROPOSED NEW CONTRACT FOR STREETSCENE SERVICES ARBORICULTURE 2013 TO 2015

- 3.1 In conjunction with the Director of Finance’s Corporate Procurement Unit, it is proposed that competitive tenders are obtained from Arboricultural Contractors for a “Streetscene Services Arboricultural Contract 2013 to 2015”, for the period from June 2013 to June 2015, with the option of a one-year extension to June 2016. The tenders will also make

provision for the appointment of a Secondary Contractor to act as a reserve to the Principal Contractor.

- 3.2 The role of the Contractor engaged on the 2013 to 2015 contract will be to undertake a tree survey, and a planned risk assessment and maintenance programme of all highway trees as identified and prioritised by the previous tree survey undertaken by Amenity Tree Care Ltd as part of the 2008 to 2010 contract. The Contractor will also be required to provide a 24 hour, 365 days a year emergency/out-of-hours call-out service.
- 3.3 The value of the current 2008 to 2010 contract is approximately £220,000 per year.
- 3.4 Long-term proposals are to return maintenance duties and management of the service in-house to Technical Services' Parks and Countryside Service. The appointment of an Arboricultural Officer to oversee the "Streetscene Services Arboricultural Contract 2013 to 2015", and to prepare for the in-house service, is part of the Parks Modernisation Project draft management structure.
- 3.5 The Arboricultural Officer will develop the in-house service for the management of all Parks and Countryside trees not currently included in the existing Arboricultural Contract. Currently, the Parks and Countryside Service has no comprehensive system of tree management in place; therefore the post is essential to implement a suitable tree management system to enable all Parks and Countryside trees to be managed proactively and in line with current nationally accepted standards and procedures.
- 3.6 For the interim period between 31st December 2012 & 1st June 2013, when the Arboricultural Contract 2013 to 2015 will commence, it is proposed to provide a limited arboricultural service that will primarily deal with emergency health and safety/urgent issues and reactive maintenance by employing Amenity Tree Care Ltd on the same financial terms as those that currently exist.
- 3.7 Discussions with Amenity Tree Care Ltd have confirmed that the cost of providing a standby squad ready to attend any site for risk assessments and emergency including any reactive maintenance works between 31st December 2012 and 1st June 2013 will be approximately £16,500. Members should note that this cost is for providing reactive works only and does not cover planned maintenance works, which will be held over until the start of the 2013 to 2015 Contract.

4.0 RELEVANT RISKS

- 4.1 There is the risk that the appointed Principal Contractor for the 2013 to 2015 Contract may be unable to fulfil their duties, for example due to unforeseen financial difficulties. It is for this reason that a Secondary Contractor will be appointed and employed on the basis of their tender for the service.
- 4.2 As the owner and manager of trees, Wirral Council has a statutory duty to protect people and property from foreseeable hazards caused by the trees' failure. If the Council do not appoint a Principal Contractor for the 2013 to 2015 Contract, they will not be fulfilling their 'Duty of Care' and there will be significant risks to employees and to the public. It is our duty to ensure that a defensible system for the inspection and management of highway trees is in place and failure to do so may lead to claims for negligence.

5.0 OTHER OPTIONS CONSIDERED

5.1 With regards to the “Streetscene Services Arboricultural Contract 2013 to 2015”, there are no other options currently available to provide this service from June 2013 for a period of two years that will provide a defensible system for the inspection and management of highway trees.

6.0 CONSULTATION

6.1 The Director of Finance’s Corporate Procurement Unit will be consulted at all stages of the tendering process. OJEU notices and advertisements will be placed in the local press and a national trade publication, seeking companies interested in carrying out this service.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications under this heading.

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

8.1 The financial costs of undertaking the service required would be met from existing and future budgets, which will be based on the final costs of the 2008 to 2010 Contract.

8.2 The service will be supervised by existing staff as part of their normal duties, until such time as an Arboricultural Officer is employed to undertake this work and to prepare for the service to return in-house.

8.3 Over the two-year period 2013 to 2015, resources will be available to train and develop Parks and Countryside staff to have the expertise to manage the trees on the public highway.

9.0 LEGAL IMPLICATIONS

9.1 The Council has a statutory duty to maintain highways maintainable at public expense under Section 41 of The Highways Act 1980.

9.2 The recommendations of the “Well-maintained Highways” Code of Practice for Highway Maintenance Management dated July 2005 are applied to this service where appropriate.

10.0 EQUALITIES IMPLICATIONS

10.1 There are no implications under this heading as there is no relevance to equality.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are no implications under this heading.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no implications under this heading.

13.0 RECOMMENDATION

13.1 Cabinet is requested to:

- (1) Approve the proposal to procure competitive tenders from Arboricultural Contractors for a new "Streetscene Services Arboricultural Contract 2013 to 2015" for the period from June 2013 to June 2015, with the option of a one-year extension to June 2016.
- (2) Approve the recommendation to provide a limited service for the interim period, between 31st December 2012 and 1st June 2013 with an estimated value of £16,500, primarily dealing with emergency/urgent issues and reactive maintenance by employing Amenity Tree Care Ltd on the same financial terms as those that currently exist.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Members are requested to approve the recommendations to allow the procurement of competitive tenders for a new "Streetscene Services Arboricultural Contract 2013 to 2015" following the completion of the 2008 to 2010 Contract.

14.2 Members are requested to approve the recommendations to allow Amenity Tree Care Ltd to be retained to provide an emergency/urgent and reactive maintenance service, to be operated between 31st December 2012 & 1st June 2013

REPORT AUTHOR: Ian Hatton
Group Leader
telephone: (0151) 606 2252
email: ianhatton@wirral.gov.uk

APPENDICES

None attached.

REFERENCE MATERIAL

Streetscene Services Arboricultural Contract 2008-2010

Wirral Council Cabinet 24 November 2011 – Parks and Countryside Services Modernisation Project – Integration of Highway Services and Outline Delivery Plan

Wirral Council Cabinet 18 March 2010 – Contract Extensions for Highway Verge and Tree Maintenance Contracts

Wirral Council Cabinet 13 March 2008 – Tender for the Streetscene Services Arboricultural Contract 2008-2010

Wirral Council Executive Board 8 February 2007 – Highway Tree Maintenance

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	24 November 2011
Cabinet	18 March 2010

Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Ian Hatton

Email address: ianhatton@wirral.gov.uk

Head of Section: Mary Bagley

Chief Officer: Chris McCarthy

Department: Technical Services

Date: 12th November 2012

Section 2: What Council proposal is being assessed?

- 1) Procurement of competitive tenders for “Streetscene Services Arboricultural Contract 2013-2015”
- 2) Use of Amenity Tree Care Ltd to provide an emergency and reactive tree maintenance service, to be operated between December 2012 and June 2013

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

Yes - Cabinet 29th November 2012

Please add hyperlink to where your EIA is/will be published on the Council’s website - <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/technical-services-0>

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 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 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
All protected groups, particularly disabled people	Positive potential effect on visually impaired & disabled highway users by removal of overhanging/dangerous braches, diseased/damaged trees, & trees that have fallen onto the public highway.	Ensure that the service is adequately funded to enable delivery of statutory duty & maintain acceptable standards.	Mary Bagley	Dec 2012 to June 2016	Must be adequately funded from existing & future budgets
All protected groups plus socio-disadvantaged people	Positive potential effect by ensuring that the contract enables training and development to improve workforce skills and employability, e.g. by promoting the use of apprenticeships.	Not applicable	Mary Bagley	Dec 2012 to June 2016	Must be supported by the appointed contractor

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

By CRM & overview of Contractor's response to required works

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

Statutory Duty & Duty of Care obligations fulfilled. No works are considered detrimental to any of these Groups.

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

None

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

Yes / No – (please delete as appropriate)

If 'yes' please continue to section 8.

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

This report details the renewal of an existing Contract to continue Wirral's obligations with regards to its "Statutory Duty" to maintain the highway and its associated items, & as such no consultation is required.

(please stop here and email this form to your Chief Officer who needs to email it to 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 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 for re-publishing.

Section 9: Have you remembered to:

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)**
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- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**

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WIRRAL COUNCIL

CABINET

29TH NOVEMBER 2012

SUBJECT:	WIRRAL YOUTH ZONE
WARD/S AFFECTED:	ALL
REPORT OF:	JULIA HASSALL
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR TONY SMITH
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the exploratory work that has been carried out in regards to the development of the Wirral Youth Zone since the last report was presented to Cabinet on 2 February 2012.
- 1.2 The previous Cabinet report detailed 2 land options (A and B) for consideration in order to progress the development of Wirral Youth Zone; this report provides the recommendation to progress with Option B and the justification for this recommendation.
- 1.3 This report recommends the allocation of £1million Capital funding during 2013/14 and to continue to work with partner agencies, in both the public and private sector in developing the scheme and securing the funding required to finance the building of the new Wirral Youth Zone.
- 1.4 The previous report detailed the benefits for young people in Wirral this facility would provide and how it would achieve the Council's priorities (these are summarised in Appendix 1).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 A report was presented to Cabinet on 9th December 2010 to detail the ambition to develop Wirral Youth Zone. Wirral Youth Zone is a proposal to build an iconic, modern, state of the art centre for young people. The vision of the facility is outlined in the document at Appendix 2.
- 2.2 £200,000 is committed to this project from 2012/13 Wirral Council Capital Funding, this was approved at Cabinet meeting on 8th December 2011. A Capital Monitoring report was presented to the Cabinet on 18th October 2012 and it was approved to reduce the contribution to £100,000 in this financial year.
- 2.3 The proposed site in Birkenhead has been put forward by Merseyside Fire and Rescue Service who approached Wirral Council to discuss utilising some of their land to develop a youth facility following the success of a similar Council/Fire Service facility in Wallasey. There is a Private Finance Initiative to redevelop Birkenhead Fire Station, this new build will free up a large area of land beside the current station. Work has started on the PFI development and will be completed by August 2013. It has been agreed that the Fire Authority would provide the land freed up by the building of the new fire station to support the Youth Zone at no charge to the Council (subject to full Fire Authority

approval and legal agreement). The Fire Authority is also keen to explore how it can use its resources to support the project in the wider sense, and in particular how the Firefit brand can be used to support the scheme. Appendix 3 details a Youth Provision the Fire Authority has already developed in Toxteth and it would use the learning from this for the Wirral Youth Zone. The Merseyside Fire and Rescue Service have invited the steering group to visit the Toxteth site in December 2012.

- 2.4 The report in February detailed that there were 2 site options on which to build the Wirral Youth Zone. They were:

Option A

To build Wirral Youth Zone on the land donated by Merseyside Fire and Rescue Service plus land currently occupied by the nearby Charing Cross Methodist Church and the road between (Bright Street) to include facilities and activities detailed above for young people in Wirral. Estimated size of the plot would be 7100 square metres.

Option B

To build Wirral Youth Zone on the land donated by Merseyside Fire and Rescue Service to include facilities and activities detailed above for young people in Wirral. Estimated size of the plot would be 4000 square metres.

- 2.5 After further research the recommendation is to progress with Option B. It was evident through information and advice from Law, HR and Asset Management that with Option A there were going to be complexities in resolving several legal issues in relation to the Council owned land, the Church land, Scottish Power's interests and Bright Street. These issues could cause significant cost and time implications. Further delay in the project could cause a risk of losing the land offered by the Fire Service. Detail of each of these issues is expanded in Appendix 4. This document has been shared with Charing Cross Methodist Church, The Fire Authority and the steering group and they have been informed that this recommendation is to be made to Cabinet.
- 2.6 A meeting took place on 26th September 2012 with representatives of Charing Cross Methodist Church and Wirral Council Officers (Acting Deputy Chief Executive, Acting Director of Children's Services, Children's Services Project Manager). This meeting was arranged to ensure Charing Cross Church members were the first to be informed of the recommendation. Following this meeting a letter was received on behalf of the Church giving views on the recommendation that is proposed. It sets out proposals about how some of the issues of concern could be resolved. A follow up meeting has been offered in response to this letter which will explain that the problem is the time and cost implications involved in addressing each of the issues, which could have a significant impact on the partnership with the Fire Service and increase the risks of the scheme not being viable.
- 2.7 The Capital expenditure to build Wirral Youth Zone is estimated to be up to £6 million. In the first three Youth Zones developed by the Council's proposed partner "Onside", the Council's contribution was funded entirely by the Government's My Place Programme (which has now ended). Currently Preston, Wolverhampton and Chester are in development and each of the Councils has contributed £3 million Capital funding. The remaining Capital costs in each, is funded from public, private and voluntary sector contributions. The initial investment from Wirral Council, which this report seeks, is intended to be the catalyst to attract further investment.
- 2.8 Merseyside Fire Authority has confirmed that they will not be charging for the use of the land and they will present the project as a proposal for Capital investment.

2.9 The original ambition was for the facility to be opened by the end of 2013. This will not now be achievable. This means the project has fallen behind the timescales of the developments of the new Fire Station, but if the Council commit to a Capital allocation, the land is still available to be used. If the commitment is not made the Fire and Rescue Service may need to find an alternative use for the land.

3.0 RELEVANT RISKS

3.1 The main risk would be not being able to raise the remainder of the Capital investment to complete the build. "Onside" have now supported the development of five other Youth Zones in the North West; these projects have all raised the required Capital investment. Wirral Invest are a partner of the project and have been promoting it to potential investors, two of them visited Oldham Youth Zone due to their interest in the scheme.

4.0 OTHER OPTIONS CONSIDERED

4.1 Recently, an alternative option of a possible extension to the Council's leisure facility, Europa Pools has been considered. This is a popular leisure facility on a main arterial road in the centre of Birkenhead, adjacent to the bus station. Located next to a cinema, this would consolidate youth and leisure facilities in a prime location. The draw back to developing the youth facility on this site is that the preferable model is to build on a neutral site to secure maximum private sector provider investment. Only one of the other similar type youth developments, both regionally and nationally, is adjacent to Council facilities, it was built next to a school. There have been a lot of issues with this site and it is therefore strongly recommended to build on neutral land. Early local indications suggest that private sector business people would be more likely to invest on neutral land. It will clearly be important to build on joint activity programmes between the two nearby sites.

The proposed site is land available owned by the Fire Service, which subject to approval, would be provided on a "gifted" basis to the Council and is in a prime location for transport links and is on "neutral" ground, in an area easily accessible and frequented by young people. The Council has a history of positive joint initiatives with Merseyside Fire and Rescue Services, for example the developments with Children's and Adults at the Wallasey Fire Station. This is a good public sector partnership, with an excellent track record of jointly working with young people.

5.0 CONSULTATION

5.1 The steering group for this project has continued to meet every 6 weeks to discuss the exploration and feasibility of the developments. The group consists of:

- Andy Groom, Merseyside Fire Authority
- Barry Natton, Representative of Wirral Methodist Church Circuit
- Blair Kirkby, Minister of Charing Cross Methodist Church
- Christopher Lucan-Pratt, Merseyside Police
- Dawn Tolcher, Project Manager for Children and Young People, Wirral Council
- Councillor Jean Stapleton, Local Councillor for Birkenhead and Tranmere
- Jeremy Glover, Onside North West
- Julia Hassall, acting Director of Children's Services (chair)
- Paul Murphy, Merseyside Fire Authority
- Paula Basnett, Invest Wirral

- Peter Bibby, Representative of Birkenhead Youth Club
- Rob Carter, Onside North West
- Rebecca Baron, Onside North West

Councillor Tony Smith, lead member for children is to become a member of the Steering Group.

5.2 A Communication sub group has been established consisting of the following members.

- Councillor Jean Stapleton
- Representation from Merseyside Fire and Rescue Service
- Paula Basnett, Invest Wirral
- Dawn Tolcher, Wirral Council
- Lindsay Davidson Head of Youth & Play Service, Wirral Council
- Communications Manager, Onside

A communication plan has been finalised to ensure good engagement and consultation with all stakeholders. If the recommendation to progress with this project is approved this plan will be implemented. The primary focus for initial consultation will be young people and existing youth providers.

5.3 A visit to Oldham Youth Zone took place on 5th September 2012. The following people attended:

- Councillor Phil Davies
- Councillor George Davies
- Councillor Moira McLaughlin
- Councillor Jean Stapleton
- Councillor Tony Smith
- Julia Hassall, Wirral Council
- Dawn Tolcher, Wirral Council
- Lorraine Anderson, Wirral Partnership Homes
- Paula Basnett, Wirral Invest
- 2 members of the local business community
- 2 members from Brightside Trust
- Jane Kennedy (Police Commissioner candidate)

The size of the Youth Zone in Oldham is the equivalent to the proposed Wirral Youth Zone site, utilising in the land offered from the Fire Authority. A debrief meeting from this visit was held on 31st October when those present confirmed their commitment to continuing to develop this project.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 The project will provide opportunities to develop the work of local voluntary sector led services as often finding appropriate venues is difficult.

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

7.1 FINANCIAL

7.2 Capital expenditure for the Youth Zone facility is estimated to be up to £6 million. In other similar provision this was funded from public, private and voluntary sector contributions. £100,000 remains allocated to this project from 2012/13 Wirral Council

Capital funding, and it is proposed that a further £1million is included in the Council's 2013/14 capital programme. It is assumed this would be unsupported borrowing, which would generate a revenue cost of £100k in the year after completion, taken to be 2014/15. This cost would be included in the Medium Term Financial Strategy. The Capital bid of £1m would be included in the 2013-14 draft Capital programme that is currently being assembled; Cabinet would review the proposed programme and agree it as part of the budget process that is concluded on March 5th2013.

- 7.3 For other similar models the annual running costs are approximately £1 million. The revenue on these models is met by 50% investment from private sector, the local Council being responsible for 40% (this is brokered by the Council with contributions coming from partner organisations such as the Police and Health). Regarding the Council's contribution to the revenue funding and staffing for the new Youth Zone, of up to £400k, it is proposed that this will be from the existing youth revenue budgets in 2014/2015; early identification of the exact amount and the funding source(s) should be agreed as part of this years budget process, concluded on March 5th2013. The remaining 10% comes from subscriptions by young people currently paying fifty pence per visit.
- 7.4 No additional resources will be required from Wirral Council to continue to develop the project. This will be managed by an existing Project Manager in the Children and Young People's Department with support from other departments as required.

8.0 LEGAL IMPLICATIONS

- 8.1 Land transfer will bring responsibilities of ownership and may therefore incur cost whilst the site is vacant land. It may be prudent for the land transfer to take place once the overall project is further developed and commitment of match funding secured. A land transfer to the ultimate project partner as part of the overall project structure is under consideration.
- 8.2 The allocation itself is not a commitment and does not have a direct legal implication. The Legal structure for delivery of the project and procurement implications, of and relating to delivery, need to be worked on in conjunction with officers.

9.0 EQUALITIES IMPLICATIONS

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

(a) Yes and impact review can be found via the following link:

<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 None Applicable

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 The site is designated as Primarily Commercial Area in the Wirral Unitary Development Plan (UDP) saved by direction of the Secretary of State in September 2007. Any future planning application would be assessed for compliance with UDP Policies RE10 'Criteria for Community Centres and Facilities' and SH6 'Development Within Primarily

Commercial Areas', which direct community facilities that are intended to serve wider catchments towards urban commercial locations and contain criteria to protect the neighbours amenity.

12.0 RECOMMENDATION/S

- 12.1 To seek agreement with the Fire Authority regarding the proposed transfer of land for the project.
- 12.2 To allocate £1million Capital funding during 2013/14 and to continue to work with partner agencies, in both the public and private sector in developing the scheme and securing the additional funding required to finance the building of the new Wirral Youth Zone.
- 12.3 To explore legal structures for developing and operating the Youth Zone and enter into such agreements as necessary in respect of match funding.

13.0 REASON/S FOR RECOMMENDATION/S

- 13.1 To enable the next phase of the development of this project to proceed.

REPORT AUTHOR: *Dawn Tolcher*
Project Manager
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email: dawntolcher@wirral.gov.uk

APPENDICES

APPENDIX 1- Meeting the Corporate Objectives

APPENDIX 2- Vision Document

APPENDIX 3- Toxteth Fire Fit Hub

APPENDIX 4- Justification for Recommending Option B

Appendix 5- Letter from Barry Natton, Charing Cross

REFERENCE MATERIAL

For more information on Youth Zones visit www.onsidenorthwest.org

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	December 2010
Cabinet	February 2012

Appendix 1- Meeting the Corporate Objectives

The project will achieve the Council's 4 corporate objectives by:

Your Family

By providing such a wide range of opportunities for young people this will benefit them and their family as a whole. To ensure this proposal is designed to meet the needs of the family there will be regular consultation and input from the following to obtain their knowledge on designing the best possible service for young people:

- Young People, they will be key to driving and developing the youth zone.
- Parents of young people
- Local Residents
- Current youth providers, this development will want to compliment what they do not duplicate.
- Local partners such as police, health, schools, extended services.

The scheme will ensure services are fully inclusive and accessible for young people with disabilities. It will also particularly support young people from disadvantaged areas.

Your Neighbourhood

The project will contribute to making Wirral's Neighbourhood safer as the young people will, have a place to go which will deter them being involved in anti social behaviour on the streets. This is vital in the locality as there has been series of anti social behaviour, particularly during the recent riots (August 2011). This will also have a positive effect on street cleanliness and the quality of the local environment as evidence from the other Youth Zones have proven if they have somewhere to go they will be less likely to cause problems in the area.

Your Economy

The financial model used for the youth zones will lead to investment from local business to support the capital and revenue costs of the facility. Employment, volunteering and training opportunities will also be increased.

Young people will also be offered training opportunities and support with educational activities.

Your Council

This development will ensure that Wirral's service for young people in their leisure time is first class. It will be affordable and sustainable. This will also create a working partnership between public, private and the community, voluntary and faith sector. All these partners have one aim for this project 'To improve opportunities for our young people'.

The project will enable a more effective and efficient way to provide youth services both financially and to meet the needs of young people.

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W

BE PART OF SOMETHING AMAZING



"Wirral Youth Zone will be the biggest thing that has happened for young people in the area - I can't wait for it to open!"

WIRRAL
YOUTH
ZONE W

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WHAT IS WIRRAL YOUTH ZONE?

Wirral Youth Zone is an ambitious proposal to build an iconic, modern state of the art centre for young people, right in the heart of the Birkenhead.

Wirral Youth Zone will give our young people a modern, safe and purposeful alternative to the streets and the TV screen. The new Youth Zone will help our young people keep active and healthy, whilst encouraging them to be positive and aspirational.

Open to children and young people aged 8-21 and up to 25 for those with a disability, Wirral Youth Zone will be packed full of every sporting and artistic opportunity you can think of from; rock climbing, boxing and trampolining to DJing, drama, dance and crafts.

One of the most important issues in Wirral is the great disparity, particularly in relation to wealth, which has a significant impact upon the outcomes for children.

With over 76,000 children and young people living in the borough, the challenge is to eliminate these differences in outcomes to ensure that all of them have the best possible start in life.

The children and young people of Wirral are its greatest potential assets and it is vital that we invest in their futures.

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YOUTH ZONE OFFER

Young people will be at the heart of how Wirral Youth Zone is designed, built and delivered.

We have talked to lots of different groups of young people from across Wirral and they have consistently made a very simple and modest request. They asked for somewhere to go, something to do and someone to talk to, at places that are open more often.



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WHY WIRRAL?

SUSTAINABLE FUNDING

The new centre will cost approximately £6 million.

It is hoped that Wirral Council will provide 50% of the capital expenditure and that the project's lead consultant, OnSide Northwest will attempt to raise the balance.

The Youth Zone will cost approximately £1 million per year to operate. This will be met by a sustainable funding model consisting of:

- 50% LOCAL BUSINESS COMMUNITY**
- 40% WIRRAL COUNCIL AND PARTNERS**
- 10% YOUNG PEOPLE**

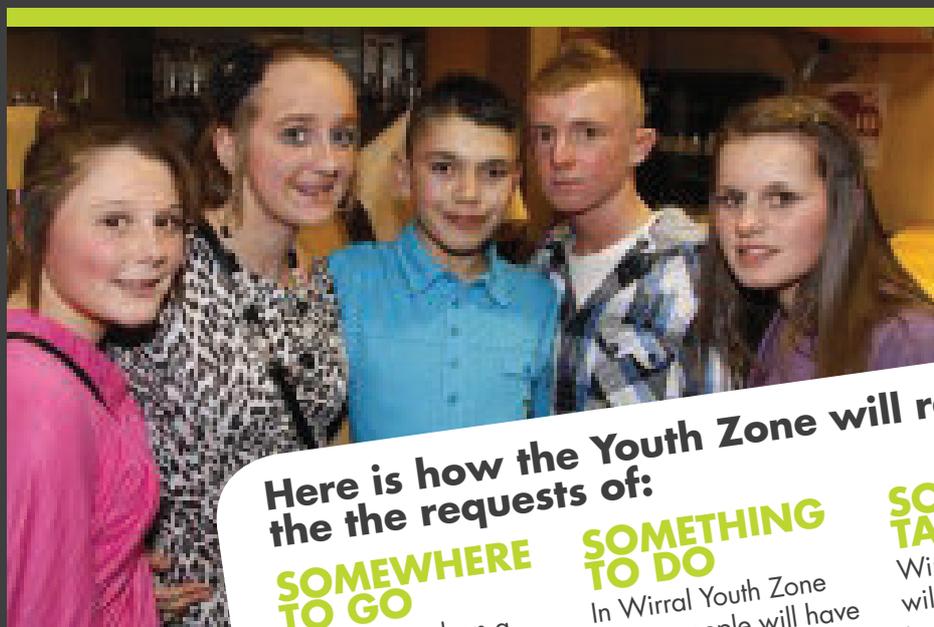
LOCAL ENGAGEMENT

Wirral Youth Zone will engage with key stakeholders from across the area to ensure that it addresses local issues with the appropriate services. Central to this is the support of:

**Only 50p per visit
and £5 annual
membership fee**

- Young People - will play an active role in the project
- Merseyside Fire Service - will provide 50% of the land for the Youth Zone and will be key partners
- Charing Cross Methodist Church - It is hoped the Church will provide a key piece of land for the project and will be partners in the delivery of services
- Wirral Council - will play a vital strategic and operational role on the project
- Voluntary Sector & Local Community - The backing of the voluntary sector is vital to the project's success
- OnSide - A new charity, developed out of the Bolton Lads and Girls Club delivering 21st Century youth provision across the North West, will be the lead consultant on the project
- Management - A new organisation will be created to run the youth zone. It will be a registered charity and a company limited by guarantee
- Local Business Community - will play an integral role to the ongoing sustainability of the Youth Zone

Wirral Youth Zone will be a fantastic addition to the borough. Full of staff and volunteers whose sole aim will be to provide the young people who attend with support and advice they need to go on and become happy, caring and active citizens.



Here is how the Youth Zone will respond to the requests of:

SOMEWHERE TO GO

Open seven days a week, 52 weeks a year, Wirral Youth Zone will be a purpose built facility, located in the centre of Birkenhead. Offering young people a quality, safe and inclusive place to go.

SOMETHING TO DO

In Wirral Youth Zone young people will have control; they decide what they want to do and when they want to it. With up to 25 activities available every evening, there will be something for everyone to do, regardless of age or ability.

SOMEONE TO TALK TO

Wirral Youth Zone will offer opportunities to develop positive relationships with staff and volunteers, supporting young people to believe in themselves and raise aspirations.



Test Your Smoke Alarm Each Week

Push the button, not your luck



Kevin Johnson, Merseyside Fire & Rescue Service Community Safety Manager, said: "You are six times more likely to die in a fire if you do not have a smoke alarm.

"Having a smoke alarm fitted and working is the only sure way to know when a fire occurs – especially when everyone is asleep. However it is essential that your smoke alarm is checked and tested weekly."

Smoke Alarm Advice:

- Check that your smoke alarm is working every week.
- Under no circumstances should you break open the smoke detector unit or attempt to remove the battery.
- If you do not have a smoke alarm, buy one and fit at least one alarm to the ceiling on each floor.
- If you are unsure of any issues, contact Merseyside Fire & Rescue Service on 0800 731 5958 for professional Fire safety advice.

New Youth and Sports Centre Coming Soon!



TOXTETH FIRE FIT HUB

"An Excellent Authority"

The £5.2 million Toxteth Fire Fit Hub, which is being built by Wates Construction, will see a state-of-the-art fire station as well as a youth and community hub and a major sporting facility built.

The sporting facilities will include new football pitches, martial arts studio, dance studio and a new gym that will introduce the "train like a firefighter" concept.

It is being built on the corner of Windsor and Upper Warwick Street in the heart of Toxteth.

Funding for the new Toxteth Fire Fit Hub was secured through the £2.3 million Department for Education myplace initiative with an additional £2.8 million funding from Merseyside Fire & Rescue Service and £500,000 from Liverpool City Council.

For more information and to find out how you can get involved read on.

Get Involved

A group of young people from Toxteth are already involved in governing and running the new facility – but you can join them too and get involved in other ways.

The Toxteth Fire Fit Hub Ambassadors meet at the Hub's Community Cabin on Upper Warwick Street and the group are currently creating and developing an activity schedule for the centre and will be reviewing the pricing policy.

Sara Lawton, MF&RS Project Manager for the Toxteth Fire Fit Hub, said:

"This is a crucial project that has the potential to make a real difference to the area. Together with our partners Liverpool City Council and members of the local community, we aim to deliver a facility that is second to none.

"We are keen to inform and involve as many local young people as possible, any local young people wishing to become an Ambassador for the Hub can register by

emailing me at
saralawton@merseyfire.gov.uk



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Building work progresses at the site for the new Toxteth Fire Fit Hub.



Architect drawings courtesy of Cass Associates.
All photos courtesy of MF&RS.



Toxteth Fire Fit Hub Facts:

- Facilities at the Hub will include a Youth Zone and young people can join the Youth Zone through annual membership. The Hub also has a state-of-the-art gym, sports hall and four five-a-side football pitches available to hire seven days a week.
- There will also be an internal courtyard and classrooms at the site.
- Weight of structural steel used for the frame - 156 tonnes, equal to the average weight of 13 Merseyside Fire & Rescue Service fire engines.
- Merseyside Fire & Rescue Service and Liverpool City Council are working with local community representatives and organisations as the Hub takes shape. There has been significant input from not only the Toxteth Fire Fit Hub Ambassadors but also the Rialto Neighbourhood Centre, Toxteth Tigers, Kingsley United and volunteer Paddy Logan and we would like to take this opportunity to thank them for their contribution.
- Construction began in November 2011 and by the end of February 2012 had seen 2,061 beams and 6,943 bolts assembled to complete the steel frame for the two-storey combined sports centre and fire station.
- Six apprentices from Toxteth and across Merseyside have now started work for Wates at the site and we wish them every success for the future.
- Liverpool-based architectural and planning practice Cass Associates has been responsible for the design of the Fire Fit project working closely with Merseyside Fire & Rescue Service.

Appendix 4- Justification for recommending Option B (building on only Fire Service Land):

The reason why it is considered more appropriate for the project to be developed entirely on the Fire Authority land is due to the complexity in resolving legal issues and the possible expenditure in relation to several different issues affecting the Council owned land, the Church land, Scottish Powers interests and Bright Street. Detail with each of these issues is expanded below:

The Council

The Council has good title to the majority of the site but there are some pockets of land relating to the site of former properties which were not acquired using compulsory purchase powers. The CPO powers are now obsolete. Also some of the former roads and passages are not included in our title. We may be able to persuade the Land Registry to add the site of some of the roads and passageways to our title but we would struggle to persuade the Land Registry that we now have any better claim than anyone else in relation to some of the other areas. We could not be said to be in exclusive occupation of these pockets of land and therefore a claim based on adverse possession would probably fail.

The Church

The Church owns a freehold interest in part of the site together with a long leasehold interest in the adjoining buildings. Recent valuation carried out on the land occupied by the church also highlighted complexities, elements of the area have a clause to state they can strictly only be used for Methodist purposes.

Scottish Power

The extent of Scottish Power's ownership is not clear but there is definitely a substation on the site which is under their control, and they probably also have title to some of the land leading to the substation. There would also be significant cost implications to removing and relocating this substation.

Bright Street

Bright Street was stopped up in October 1970 which means that from the date of the Stopping Up Order it was no longer an adopted highway maintainable by the Council as the Highway Authority. However, since the original closure was made it has continued to be used as a road and The Director of Technical Services considers that it is still a highway in law. It is lit, partly paved, has double yellow lines on it and the public at large have both vehicular and pedestrian access to it. The highway would require a formal Closing Order pursuant to current legislation to extinguish all rights over and under it and it is envisaged that there would be objections to any proposed closure, particularly from the numerous statutory supply bodies that have cables and equipment in the location. Those objections may be removed if the cables and supply equipment were diverted or relocated but there could be a significant cost in diverting those services and equipment. It is also envisaged that there could be objections from the Church authorities who currently have access to their premises from Bright Street.

The other complication will be in relation to the ownership of the site of the road if a new Closing Order was made. The half width of Bright Street abutting the fire station is included in the title of the Fire Authority and at present the other half is strictly in nobody's "ownership". If the road was closed then the owners of the land and buildings fronting the other half width could claim title to it and the Land Registry would accept such a claim. The Council does not own all of the frontage on that side of the road as the Church's title also extends to Bright

Street, Therefore the Council would not be able to claim ownership of the whole of the half width of Bright Street.

In summary. to address these legal issues would have significant time and cost implications. We need to commit to the utilising the land available from the Fire Service for the Youth Zone Project or we could be at risk of losing it and they may find an alternative use.

Other factors contributing to this recommendation are:

1. The footprint available from the Fire Service is sufficient to build a Youth Zone, it will be the equivalent to a recently developed one in Oldham which includes all the facilities originally proposed.
2. The capital and revenue costs will be less on a smaller site.

Overall it will be the simpler, cheaper and quicker option.

Barry Natton OBE MA FCIQB
Nab Wood
Noctorum Road
Birkenhead
CH43 9UG
01516521636
8th October 2012

David Armstrong MA
Head of Children's Services WBC
Hamilton building
Conway Street
Birkenhead
CH41 4FD

RECEIVED
- 8 OCT 2012

Dear David

Re Wirral Youth Zone

I am writing to you as the circuit steward with responsibility for property, for the Methodist Church on the Wirral. This letter is in response to the recent meeting you held with the Rev Blair Kirkby and some of the members from Charing Cross Methodist Church, and follows your recent e-mail note to us sent by Dawn Tolcher.

Firstly may I say how surprised and disappointed we are by the decision that you have taken to proceed with the Youth Zone on Fire Station land only; excluding our offer, in principle, to make available the land on which Charing Cross Methodist Church and Youth Centre currently stands. Clearly however the Local Authority are entitled to develop the Youth Zone in the way you feel is best for the young people Birkenhead.

There are however some misconceptions and inaccuracies in the note you sent to us and I feel that these need to be clarified. My comments therefore initially follow the same order as your own note.

The council land title

From my own investigations we (The church) are aware and indeed told your representatives that there were pieces of land on the corner which were of indeterminate ownership. We have always been under the impression however that this corner of land could remain part of the pavement by setting back slightly the entrance to the Youth Zone

The church land

The only land under church control which is restricted in any way is that occupied by the current youth club which is on Local Authority Freehold Land, on a peppercorn lease to the church, and it is the Local Authority themselves who included the restriction you mention in the lease. There is no reason at all therefore why this clause cannot be

released on the assumption that this land reverts to the local authority and is developed as part of the Youth Zone

Scottish Power

Our own deeds show clearly the ownership of the substation, and I acknowledge this would need to be moved. It would be astonishing however if a new power supply was not required for the fire station or Youth Zone and the cost of dealing with this I do not think would be exorbitant as part of the overall development of the scheme.

Bright Street

If the church land is developed as part of the Youth Zone no objection will be raised on our part to the closing Bright Street. If as you indicate the fire station own half the width of this road, and the church buildings on the other side could claim title to their side of the road, it seems to me between the fire service and the church, from what you have said, Bright Street is controlled by 2 parties who are committed to developing the Youth Zone and therefore there would not be any objection to closure.

As far as any services under the road are concerned I acknowledge there could be a possible problem but this would depend on how the Youth Zone itself was designed. This could be done in such a way that Bright Street becomes part of the external facilities to the Youth Zone rather than be under the main building, thus leaving access in an emergency to these underground services. It would however be highly unusual developing any scheme of this type on reclaimed land if services did not require moving, and in the overall cost of things, I do not believe this would be a significant cost.

Youth club on the present site

The youth club leader at Charing Cross is a member of your staff and clearly that youth club is not going to continue if and when a new Youth Zone opens. If staff are transferred to the new Youth Zone we are left with a building and a 5 aside pitch which is of no use whatsoever to the church. We have always assumed this would be part of the external facilities of the Youth Zone. If this is not going to be the case a semi derelict building is going to be left adjacent to the Youth Zone which will be a hazard and an eye sore for the foreseeable future.

Condition of church buildings

As I have said in the meetings we have held with you, the church buildings are no longer fit for purpose and need a considerable amount of money spending on them if they are to continue in use. The church simply does not have this money and indeed it would be cheaper to demolish and rebuild than it would to bring the existing buildings (the church itself, and the youth club buildings) up to a decent standard. It is therefore envisaged that whatever happens with the Youth Zone the church will probably have to relocate in the not too distant future.

It was always felt that smaller premises within the Youth Zone for church use would have been a good solution, however it is acknowledged that we have not been able to agree so far on the amount of space that the church would need, and the youth zone could provide, within a new building.

In good faith representatives of the Methodist church have been part of the steering group for the Youth Zone always assuming that the existing church land, including the youth club would become a part of this project. The church acknowledge that no commitments were

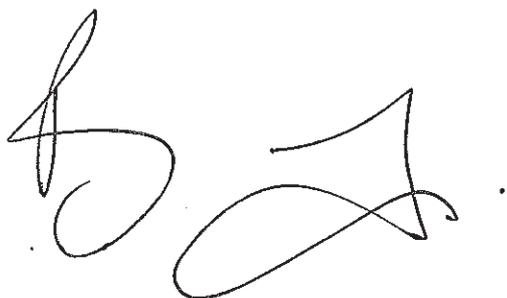
given, we do feel however that to leave the church premises out of this project will bring other problems which will act as a deterrent, and will leave a blighted piece of land next to a project which should be the pride and joy of all young people on the Wirral.

It is not clear at the moment who has made this decision, officers of the Council, or has this been discussed at a council meeting, thus becoming the council's policy for development of the Youth Zone? We would respectfully request however that if this matter has not yet been before the council for their approval the views of the Methodist Church are made known to them before any decision is finalised.

If it would be helpful to discuss this matter further no doubt you will let me know.

In view of his interest in this project I am sending a copy of this letter to Frank Field.

kindest regards.

A handwritten signature in black ink, appearing to be 'B. A.', written in a cursive style.

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Equality Impact Toolkit (new version July 2011)

Section 1: Your details

Council officer: Dawn Tolcher

Email address: dawntolcher@wirral.gov.uk

Head of Service: Julia Hassall

Department: CYPD

Date: 6.01.12

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

The project is to develop Wirral Youth Zone. It will be a large youth club consisting of sports hall, multi purpose areas, mentor rooms, kitchen/café, 3G pitch. It will offer a large variety of services to young people aged 8-21, up to 25 for those with a disability. It will be open 365 days per year.

Section 3: Is the Council function / proposal relevant to equality? (please tick relevant boxes)

- In services**
- In the workforce**
- In communities**
- Other** (please state)
- None** (please stop here and email this form to your Head of Service who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Within the Equality Duty 2010, there are 3 legal requirements. Which of the following are relevant to the Council function / proposal? (please tick relevant boxes)

- To eliminate unlawful discrimination, harassment and victimisation
- To advance equality of opportunity

✓ To foster good relations between groups of people

Section 5: Will the function / proposal have a favourable 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)?

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

Protected characteristic	Favourable or negative impact	Action required to mitigate any negative impact	Lead person	Timescale	Resource implications
Race, religion and belief	<p>Favourable The facility will be inclusive to all and will work with key agencies to ensure activities and approaches are inclusive to all. Some cultural specific activities can be developed if identified as wanted by the young people.</p>				
Gender	<p>Favourable Activities will be inclusive to all, where gender specific activities will enhance participation with young people they will be delivered.</p>				
Disability	<p>Favourable The facility will be</p>				

	<p>inclusive to all. Guidance will be obtained over the structure of the building to ensure it is fully accessible. There will be a mixture of specialist and inclusive activities to ensure activities meet the needs of all.</p>				
<p>Gender reassignment/ Pregnancy and Maternity/sexual orientation. Marriage and civil partnerships</p>	<p>Favourable The facility will be utilised by professionals to offer advice, mentoring and counselling when needed. This would be available to talk through and gain support with any issues the young people are facing.</p>				
<p>Age</p>	<p>Favourable The facility will enhance facilities for young people aged 5-19, up to 25 for people with a disability.</p>				

Where and how will the above actions be monitored?

If you think there is no negative impact, what is your reasoning behind this?

The model for this development is the same as other Youth Zones developed in the North West. A charity called Onside support each authority with developments, they are supporting the Wirral so the same ethos and model will be followed.

The other youth zones have demonstrated significant impact on developing more inclusive facilities. Young people of different locations, backgrounds, interest all participating under one roof.

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

The evidence of impact from other Youth Zones, including feedback from young people stating benefits of such a provision.

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

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 Head of Service who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place?

A steering group has been meeting monthly to ensure developments meet needs of all, members include:

- Andy Groom, Merseyside Fire Authority
- Councillor Ann McLachlan, Local Councillor for Bidston and St James and Cabinet Member for Children's Services and Lifelong Learning
- Barry Natton. Representative of Wirral Methodist Church Circuit
- Blair Kirkby, Minister of Charing Cross Methodist Church
- Christopher Lucan-Pratt, Merseyside Police
- Dawn Tolcher, Project Manager for Children and Young People, Wirral Council
- Councillor Jean Stapleton, Local Councillor for Birkenhead and Tranmere and Cabinet member for Community and Customer Engagement.

- Jeremy Glover, Onside North West
- Julia Hassall, Head of Branch for Social, Wirral Council (chair)
- Paul Murphy, Merseyside Fire Authority
- Paula Basnett, Invest Wirral
- Peter Bibby, Representative of Birkenhead Youth Club
- Rob Carter, Onside North West
- Rebecca Baron, Onside North West
- Councillor Sheila Clarke, Local Councillor for Bebington and Chair of Children and Young People's Overview and Scrutiny Committee.

A separate communication sub group has been established, with a communication strategy. This ensures all stakeholders, particularly local young people, will be consulted with through the process of development and exploration to create such a facility.

The Children's Social Care Equality and Diversity Reference group have also contributed to this equality impact assessment.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Head of Service who needs to email it to equalitywatch@wirral.gov.uk for publishing)

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