



# Council

Town Hall  
Wallasey

18 January 2013

Dear Councillor

You are hereby summoned to attend an extraordinary meeting of the Council to be held at **6.15 pm on Monday, 28 January 2013** in the Council Chamber, within the Town Hall, Wallasey, to take into consideration and determine upon the following subjects :

**Contact Officer:** Andrew Mossop  
**Tel:** 0151 691 8501  
**e-mail:** [andrewmossop@wirral.gov.uk](mailto:andrewmossop@wirral.gov.uk)  
**Website:** <http://www.wirral.gov.uk>

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## AGENDA

### 1. DECLARATIONS OF INTEREST

Members of the Council are asked to consider whether they have any disclosable pecuniary interests and/or any other relevant interest, in connection with any matter to be debated or determined at this meeting and, if so, to declare it and state the nature of such interest.

### 2. MAYOR'S COMMUNICATIONS

To receive the Mayor's announcements and any apologies for absence.

### 3. MATTERS REQUIRING APPROVAL BY THE COUNCIL (Pages 1 - 38)

To consider matters referred to the Council for determination, including:

#### A. Report of the Interim Director of Finance

Council Tax Support Scheme

To give effect to the decision of the Council held on 17 December 2012 (minute 92 refers), the Council is requested to formally approve

and adopt the Council Tax Support Scheme (to be circulated with the Council supplement).

In respect of B and C below, the relevant minutes are attached; copies of the related reports can be provided for Council members on request.

**B. Employment and Appointments Committee – 20 December, 2012**

(Pages 1 – 3)

Minute 52  
Senior Management Restructure

**C. Cabinet – 20 December, 2012**

(Pages 3 – 4)

Minute 149  
Delegation on Employment Issues

The following items will be considered by Cabinet and Employment and Appointments Committee at their meetings on 24 January, the related reports are attached. The relevant minutes will be provided in the Council supplement for the Council's consideration.

**D. Cabinet – 24 January, 2013**

Collection Fund 2012/2013 (Pages 5 -14)

Council Tax Discounts – Annual Review (Pages 15 – 26)

Council Tax Base (Pages 27 – 31)

**E. Employment and Appointments Committee – 24 January, 2013**

The Employment Contract of the Chief Executive and Head of Paid Service (Pages 33 – 37)

**4. MATTERS REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEES**

To consider and determine any references from overview and scrutiny committees, in particular the following minutes on 'Budget 2013/16 – Initial Proposals':

- Health and Well Being – 14 January
- Economy and Regeneration – 16 January
- Children and Young People – 21 January
- Council Excellence – 22 January
- Sustainable Communities – 24 January

The relevant minutes from these meetings will be circulated with the

Council supplement.

**5. BY-ELECTION RESULTS - 17 JANUARY 2013**

The Council is requested to note the results of the by-elections held on 17 January 2013 –

**Heswall**

Kathryn Anne Hodson, "Savoia", 36 Pipers Lane, Heswall, Wirral CH60 9HW

**Leasowe and Moreton East**

Ian Lewis, 12 Willaston Road, Moreton, Wirral CH46 6AP

**6. ALLOCATION OF COMMITTEE PLACES AND VACANCIES**

Following the results of the by-elections held on 17 January 2013, the Council is requested to give consideration to the allocation of Committee places for meetings to the end of the current municipal year.

The report of the Acting Director of Law, HR and Asset Management will be circulated with the Council supplement.



Acting Director of Law, HR and Asset Management

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## REFERRALS TO COUNCIL – 28 JANUARY 2013

### Employment and Appointments Committee – 20 December, 2012

#### 52. SENIOR MANAGEMENT RESTRUCTURE

Further to minute 21 (18/9/12) the Chief Executive submitted a report with detailed proposals in relation to the Council's senior management restructure. The proposals included details of financial savings, which were attached as an appendix to the report.

It was proposed to reduce the senior management structure of the Council from 30 full time equivalent (FTE) posts, to 19 FTE posts, (excluding the three Strategic Director posts). The report detailed the principles applied to the proposed restructure, areas of responsibility, how the selection process would be managed and consultation which had taken place.

It was proposed that a further management structure for senior managers (those reporting to a Head of Service) and below was undertaken, following the outcome of this report. This should include consultation with the recognised Trade Unions and the staff affected, and should consider the impact on remaining structures. The further management structure would follow the principles as applied to the senior management restructure and would achieve financial savings of £4m, approximately 30% of the current management costs at this level. Where there was a requirement for Committee approval, the necessary structures should be brought forward to Cabinet and the Employment and Appointments Committee in February 2013.

Responding to comments from Members, the Chief Executive stated that he would hope to have a new severance scheme in place from 24 January, 2013 and that the new scheme would apply to anybody made redundant under the restructure as the scheme applied on the date when an employee left the Authority. Those employees applying to leave voluntarily would leave under a new scheme. He outlined how the savings of £998,723 for the new senior management structure were achieved and informed the Committee that he would circulate a detailed breakdown of the savings. One part of the restructure could not be progressed until the suspension of a chief officer was resolved.

The Chief Executive also referred to the common practice of designating for a three or six month period, one of his three Strategic Directors to act in his absence, and this principle should apply throughout the Council with managers treating those in their teams equitably in rotating the role for acting up in their absence. All honoraria, unless in exceptional circumstances, would be stopped, although this had not yet been factored into the savings. The savings for 2013-16 were currently projected at £108.7m and he would ensure that there was consistency in future reports with regard to the figure for savings. Redundancy costs would be factored into the overall budget.

The Leader of the Conservative Group stated that he was broadly supportive of the proposals. Further savings would come in the next stage with the delaying of management below the Heads of Services level and he would expect that this Committee would see these proposed further management restructures. The

Chief Executive reassured the Committee that he would report back with further management restructures and with an updated equalities impact assessment.

On a motion by Councillor Phil Davies, seconded by Councillor McLachlan, it was -

**Resolved – That this Committee,**

**(1) Endorses the report.**

**(2) Approves:**

**The deletion of the following posts:**

**Adult Social Services:**

- Deputy Director of Adult Social Services
- Head of Finance and Performance (Adults)
- Head of Locality Personalised Support (Adults)
- Head of Specialist Personalised Support (Adults)
- Head of Safeguarding and Care Governance (Adults)

**Children’s Services:**

- Deputy Director: Planning, Resources and Schools (CYPD)
- Head of Children’s Social Care
- Head of Learning and Achievement

**Finance:**

- Director of Finance
- Deputy Director of Finance
- Head of IT Services
- Head of Benefits, Revenues and Customer Services

**Law, HR and Asset Management:**

- Director of Law, HR and Asset Management
- Head of Regulation
- Head of Asset Management

**Technical Services:**

- Director of Technical Services
- Deputy Director of Technical Services
- Head of Cultural Services

**Regeneration, Housing and Planning:**

- Director of Regeneration, Housing and Planning

**The creation of the following posts:**

**Families and Wellbeing:**

- Head of Transformation (Adults)
- Head of Delivery (Adults)
- Head of Specialist Services (CYPD)
- Head of Targeted Services (CYPD)

- **Head of Universal and Infrastructure (CYPD) and Assistant Chief Executive**

**Regeneration and Environment:**

- **Head of Environment and Regulation**

**Transformation and Resources:**

- **Head of Business Processes**

The re-designation of the following posts:

**Regeneration and Environment:**

- **Head of Housing to Head of Housing and Community Safety**

**Chief Executive:**

- **Head of Communication and Community Engagement to Head of Neighbourhoods and Engagement.**

- (3) **Approves the re-alignment of services across the three programme areas as detailed in the report.**
- (4) **Asks the Chief Executive to consult on and to implement the further management restructure for senior manager levels to PO level, with expected financial savings of £4m.**
- (5) **Authorises the Chief Executive to confirm and implement the senior management structure as agreed at such time and in such manner as he considers appropriate, including making any additional administrative changes as are necessary to give effect to the changes including making any consequential changes to the scheme of delegation as are necessary to give effect to the new arrangements.**

**Cabinet – 20 December 2012**

**149. DELEGATION ON EMPLOYMENT ISSUES**

The Chief Executive reported upon a proposal to delegate to him, as the Head of Paid Service, the power to make appropriate arrangements for conducting appeals in connection with gradings, grievances or disciplinary action against or dismissal of employees.

Currently such arrangements were delegated to the Appeals Sub-Committee of the Employment and Appointments Committee. It was recommended that the council move to the practice common in many authorities where the Chief Executive, as Head of Paid Service, ensured that appropriate appeal arrangements were established. Again this accorded with the feedback from the Peer Challenge which recommended that roles were clarified to ensure elected members did not get too involved in operational matters and officers were empowered to take decisions.

This would not apply to Chief Officers or Deputies, effectively Strategic Directors and Heads of Service in the new structure. In those cases the Employment and

Appointments Committee would continue to be responsible for their appointment and dismissal.

With the permission of the Chair, Joe Taylor, Unison Wirral Branch Secretary, addressed the Cabinet. He stated that the unions were totally opposed to this proposal as this was the last piece of independence for officers within the authority. Previous appeals to Members had found flaws in the way some officers had carried out dismissals of staff.

Councillor Phil Davies commented that he agreed with the proposal as managers were paid to manage staff and Councillors should not be involved.

On a motion by Councillor Phil Davies, seconded by Councillor McLachlan, it was -

**Resolved – That Cabinet recommends to Council that:**

- (1) They delegate to the Chief Executive, as Head of Paid Service, the power to make appropriate arrangements for conducting appeals in connection with gradings, grievances or disciplinary action against or dismissal of employees.**
- (2) The Chief Executive, as Head of Paid Service, report annually to the Employment and Appointments Committee on the operation of the arrangements for conducting appeals in connection with gradings, grievances or disciplinary action against or dismissal of employees.**
- (3) The delegations to the Appeals Sub-Committee to hear and determine appeals in connection with gradings, grievances or disciplinary action against or dismissal of employees, be removed.**



## WIRRAL COUNCIL

### CABINET

24 JANUARY 2013

<b>SUBJECT</b>	<b>COLLECTION FUND 2012/13</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 This report estimates the Collection Fund position for the year ending 31 March 2013.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Council has to keep a Collection Fund to record the Council Tax and Non-Domestic Rates collected and paid to the precepting authorities and to the Government National Non-Domestic Rate pool. The Non-Domestic Rates collected are currently paid to the Government. From 1 April 2013 a new Local Government Finance System will see authorities retaining a proportion of locally raised business rates with either a tariff paid or a top-up received to ensure a comparable starting position between the two funding systems. The Council Tax collected is paid to the precepting authorities based upon their initial precepts with any surplus / deficit at the end of each financial year paid to / recovered from the precepting authorities.
- 2.2 Council Tax income (including transfers from the General Fund) currently exceeds £150 million per annum (as per Appendix 1). In January 2012 the forecast Collection Fund outturn for 2011/12 was for a surplus position of £1.7 million therefore resulting in a distribution to the precepting bodies.
- 2.3 The actual position on the Collection Fund as at 31 March 2012 was a surplus of £2.3 million. This was mainly as a result of higher council tax receipts being received in 2011/12 due to windfall receipts from empty property exemptions changes.
- 2.4 Budget options for 2013/14 onwards may impact upon the level of discounts awarded and subsequent collection Fund income. Any decision will not however effect the Collection Fund surplus/deficit position for 2012/13.

- 2.5 A reassessment of the level of bad debt provision is required to reflect the impact the longer term impact of recent changes to empty property discounts and also the ongoing economic climate. Council Tax collection rates are currently 0.5% below the corresponding period for last year although an element of this reflects the movement of some payers to 12 monthly instalments.
- 2.6 Any surplus or deficit on the Fund must be shared pro-rata to the existing precepts on the Fund. Based upon the 2012/13 precepts and taking the above factors into account the Collection Fund balance for the year ending 31 March 2012 is estimated to be nil. Any surplus or deficit position would be allocated to precepting bodies on the follow basis:-

Precepting Authority	% share	£
Wirral Council	85.18	0
Police and Crime Commissioner for Merseyside	10.24	0
Merseyside Fire and Rescue Services	<u>4.58</u>	<u>0</u>
Total	<u>100.00</u>	<u>0</u>

### **3.0 RELEVANT RISKS**

- 3.1 In estimating the end of year position on the Collection Fund the actual position could be either a deficit position, requiring recovery from the precepting authorities in 2013/14, or a larger surplus requiring to be distributed during 2013/14. To mitigate the risks, the estimate takes account of past performance and current known collection levels.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 There are no other options considered in this report.

### **5.0 CONSULTATION**

- 5.1 The Merseyside Police Authority / Police and Crime Commissioner for Merseyside and Mersey Fire and Rescue Service will be informed of their share of the declared surplus by 22 January 2012.

### **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 Wirral Council will neither receive any additional distribution or pay an additional contribution on the basis of the estimated 31 March 2013 position on the Collection Fund.

7.2 The 2013/14 Council Budget assumptions assume a nil balance at 31 March 2013. The estimate is therefore in line with this assumption.

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

## **8.0 LEGAL IMPLICATIONS**

8.1 Under the Local Authority (Funds) (England) Regulations 1992, the Authority must annually estimate the likely surplus or deficit on its Collection Fund for 2012/13 and notify the precepting Authorities of the Fund by 22 January 2013.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are none arising directly out of this report.

9.2 An Equality Impact Assessment (EIA) is not required.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none directly arising out of this report.

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

11.1 There are none directly arising out of this report.

## **12.0 RECOMMENDATION**

12.1 That the declaration of an estimated nil balance position for the Collection Fund for the year ending 31 March 2013 which is in accordance with current budget assumptions be noted.

## **13.0 REASON FOR RECOMMENDATION**

13.1 In accordance with the Local Authority (Funds) (England) Regulations 1992, the Authority must annually estimate the likely surplus or deficit on its Collection Fund for the current financial year. The estimate should be made on, or as close to, the 15 January as possible but cover the period up to 31 March. The Authority must notify the precepting Authorities of the Fund within 7 days of the 15 January and the estimated surplus or deficit can then be taken into account by the precepting bodies in setting their Budget and likely precept requirements on the Collection Fund for the following year.

**REPORT AUTHOR:** **Peter Molyneux**  
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## **APPENDIX**

Wirral Borough Council 2012/13 Estimated Collection Fund Account.

## **REFERENCE MATERIAL**

Statement of Accounts 2011/12: Additional Financial Statements: Collection Fund

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet - Collection Fund 2008/09	15 January 2009
Cabinet - Collection Fund 2009/10	14 January 2010
Cabinet - Collection Fund 2010/11	13 January 2011
Cabinet - Collection Fund 2011/12	12 January 2012

**Wirral Council 2012/13 Estimated Collection Fund Account at 15 January 2013**

<b>Actual 2011/12 £'000</b>		<b>Estimate 2012/13 £'000</b>
	<b><u>Income</u></b>	
-124,642	<b>Council Tax Income</b>	-124,808
	<b>Transfers From General Fund</b>	
-31,217	- Council Tax Benefits	-31,225
-815	- Pensioner Discounts	-1,289
-61,502	- Income from Business Rate Payers	-65,022
<b>-218,176</b>	<b>Total Income</b>	<b>-222,344</b>
	<b><u>Expenditure</u></b>	
	<b>Precepts</b>	
131,434	- Wirral Borough Council	132,911
15,336	- Police and Crime Commissioner for Merseyside	15,974
6,793	- Merseyside Fire and Rescue Services	7,144
	<b>Business Rates</b>	
61,162	- Payment to National Pool	64,682
340	- Costs of Collection	340
	<b>Bad &amp; Doubtful Debts</b>	
1,829	- Increase in Bad Debt Provision	1,899
<b>216,894</b>	<b>Total Expenditure</b>	<b>222,950</b>
<b>-1,282</b>	<b>Surplus (-) / Deficit (+) For Year</b>	<b>606</b>
	<b>Impact on Collection Fund Balance</b>	
-1,024	Accumulated Balance Brought Forward	-2,306
-	Distribution of Prior Year Estimated Deficit	1,700
-1,282	Surplus (-) / Deficit (+) For Year	606
<b>-2,306</b>	<b>Estimated Accumulated Surplus / Deficit Carried Forward</b>	<b>0</b>
	<b>Distribution of Estimated Collection Fund Surplus</b>	
-1,971	Wirral Borough Council	0
-232	Police and Crime Commissioner for Merseyside	0
-103	Merseyside Fire and Rescue Services	0
<b>-2,306</b>	<b>Total</b>	<b>0</b>

## **Equality Impact Assessment Toolkit (from May 2012)**

### **Section 1: Your details**

**EIA lead Officer:** Peter Molyneux

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

**Head of Section:** Tom Sault

**Chief Officer:** Peter Timmins

**Department:** Finance

**Date:** 10<sup>th</sup> January 2013

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

**There is no assessment at this time, this report is regarding the Collection Fund.**

**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 – 24 January 2013

**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 email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

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

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

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

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

**Section 5:**

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

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

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

<b>Which group(s) of people could be affected</b>	<b>Potential positive or negative impact</b>	<b>Action required to mitigate any potential negative impact</b>	<b>Lead person</b>	<b>Timescale</b>	<b>Resource implications</b>



**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](mailto:equalitywatch@wirral.gov.uk) for publishing)

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

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

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

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

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

## WIRRAL COUNCIL

### CABINET

24 JANUARY 2013

<b>SUBJECT:</b>	<b>COUNCIL TAX DISCOUNTS AND EXEMPTIONS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>INTERIM DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 Within the Officer Budget Proposals are two items relating to Council Tax Discounts and Exemptions and this report details potential changes to exemptions and discounts available following the Local Government Finance Act 2012. Cabinet is asked to consider the recommendations regarding the level of these discounts and exemptions to be applied for Council Tax 2013/14.

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 The Local Government Finance Act 2012 introduced changes in national Council Tax discounts and exemptions and these need to be considered and, if required, adopted at Wirral in time for the 2013/14 financial year.

2.2 The changes from the 2012 Act, if adopted locally with income potential maximised could raise £2.3 million (net of collection losses and administration). These are expanded upon in the next sections of the report.

#### LOCAL GOVERNMENT FINANCE ACT 2012 DISCOUNT & EXEMPTIONS

2.3 The changes allowed by the 2012 Act cover empty property and second homes. In broad terms, the Act removes the current exempt classifications and allows Councils to define their own level of discounts, make a mortgage lender responsible for Council Tax or charge a premium, on properties that have been empty for more than two years. The authority is able to raise more Council Tax from these property types which assists the overall financial position but at the expense of affected Council tax payers paying more.

2.4 The information below shows the current status in each area affected by the Act. It identifies known issues and the effect on the Council Tax base. The following data is based upon profiling Council Tax records as at October 2012 and the figures quoted are approximate values.

**Table 1 : Local Government Finance Act 2012 - Maximum Sum That Can Be Raised By Each Area**

<b>Discount / Exemption</b>	<b>Number of properties</b>	<b>Gross Sum Raised</b>	<b>Loss In Collection</b>	<b>Net Sum Collected</b>
		£	£	£
Class A Empty	326	207,000	8,280	198,720
Class C Empty	8,174	2,450,000	735,000	1,715,000
Premium Empty	700	420,000	142,800	277,200
Second Homes	1,024	96,600	3,860	92,740
<b>Totals</b>	<b>10,224</b>	<b>3,173,600</b>	<b>889,940</b>	<b>2,283,660</b>

**Class A Exemption Vacant Dwellings**

- 2.5 The current position is that unoccupied and unfurnished homes which need, are undergoing or have undergone major repairs (including structural alteration) to make them habitable are exempt for up to 6 months from the date the repairs are substantially complete. The charge is £nil for this period. Where major repairs or structural alterations are required or underway Council Tax officers decide the classification, usually after a site visit and consideration of the schedule of works. The property will receive an exemption from paying Council Tax for a period of up to 12 months starting from the date on which the property first attracts this exemption. After the 12 month period if the property remains empty 100% Council Tax charge is payable.
- 2.6 The change is to remove the exemption from 1 April 2013 allowing Councils to choose their own level of discount, between 0% and 100% for the first 12 month period. There are currently 326 properties covered by this exemption. The following amounts could be raised based upon the banding of the current property and the level of discount with a 96% collection rate anticipated.

**Table 2 : Class A Exemption Vacant Dwellings**

<b>Discount %</b>	<b>Gross Sum Raised</b>	<b>Loss In Collection</b>	<b>Net Sum Collected</b>
	£	£	£
0%	207,000	8,280	198,720
25%	155,000	6,200	158,800
50%	103,000	4,120	98,880
75%	51,000	2,040	48,960
100% (as now)	Nil	Nil	Nil

## Class C Exemption Vacant Dwellings

- 2.7 This exemption covers properties that are empty and substantially unfurnished. Currently properties receive a six month exemption from the date that they are so. There are properties where Class C may first apply then it move to exemption Class A however the maximum combined exemption period can only be for 12 months.
- 2.8 The change here removes the exemption from 1 April 2013 allowing Councils to apply a discount between 0% and 50% from the date the property becomes empty. There are currently 8,174 properties covered by this exemption. The following amounts could be raised based upon the level of discount with a 70% collection rate anticipated.

**Table 3 : Class C Exemption Vacant Dwellings**

<b>Discount %</b>	<b>Gross Sum Raised</b>	<b>Loss In Collection</b>	<b>Net Sum Collected</b>
	£	£	£
0%	2,450,000	735,000	1,715,000
10%	2,200,000	660,000	1,540,000
25%	1,800,000	540,000	1,260,000
50%	900,000	270,000	630,000
100% (as now)	Nil	Nil	Nil

- 2.9 There is also the provision to offer stepped discounts. For example, a discount of 50% for the 1<sup>st</sup> month, then a discount of 25% for the 2<sup>nd</sup> month and a discount of 10% for the 3<sup>rd</sup> month would raise £1.4 million. Clearly various combinations of percentages for the available 6 months would raise differing amounts. However whilst stepped discounts can be used it is not recommended at this point and a standard level of discount be retained.
- 2.10 It is estimated that there will be 11,900 individual vacant periods for the next full financial year and 40% of these vacant periods will be less than 31 days. The charge raised for this period equates to £664,500 of the £2,450,000 shown in table 3 above.
- 2.11 This discount can impact upon property sales and rental markets. The effect on landlords could be to encourage the quick turnaround of their properties set against their ability to obtain occupiers / purchasers and the increased Council Tax liability they will face.

- 2.12. A reduction in discount below 25% will inevitably lead to a lower level of tax being raised due to the discount of 25% granted for properties occupied by one adult or furnished property that is not a sole or main residence. There is a likely increase of such properties in order to attract the 25% discount. As an example of this the removal of the 50% Long Term Empty discount on 3,000 properties in 2011/12 reduced the number of empty properties by 400 whilst applications for Single Person Discounts increased by approximately the same figure.

### **Class C - Vacant Dwellings Long Term Empty Premium Charge**

- 2.13 Currently empty properties pay 100% Council Tax after six months. The legislation allows Councils to charge a premium of up to 50% on properties that have been empty in excess of two years.
- 2.14 The Government is currently consulting on whether a property that is being actively marketed for sale or rental should be included within the premium. If it is not the potential to raise income and try to encourage or force properties back into use will be thwarted and the market could be flooded with properties being offered for sale or let at unrealistic prices/rents well above market levels in an attempt to avoid this premium.
- 2.15 Wirral has approximately 700 properties empty for more than two years and if the premium was introduced a collection rate of 66% is projected:-

**Table 4 : Long Term Empty Property Premium**

<b>Discount %</b>	<b>Gross Sum Raised</b>	<b>Loss In Collection</b>	<b>Net Sum Collected</b>
	£	£	£
50%	420,000	142,800	277,200
25%	210,000	71,400	138,600
10%	84,000	28,500	55,500
0%	Nil	Nil	Nil

- 2.16 The qualifying criteria date is retrospective and the premium charge would be raised from 1 April 2013 against appropriate properties applying to properties vacant before 1 April 2011.
- 2.17 Levying this premium could assist with the Council's and Government stated aim of encouraging bringing empty properties back into use.

### **Second Homes (Class B and Class A)**

- 2.18 Currently second homes, Class B, attract a 25% discount and Wirral has 1,024 properties in this category. There is another type of second home Class A which is similar to Class B but a planning restriction prevents occupation for at least 28 days a year, Wirral has 8 such properties and they attract a discount of 50%.

- 2.19 The proposed change allows the discount to be set at 0%. This could raise £96,600 with a 96% collection rate anticipated.

**Table 5 : Second Homes Discounts**

<b>Properties</b>	<b>Gross Sum Raised</b>	<b>Loss In Collection</b>	<b>Net Sum Collected</b>
	£	£	£
Class B 0%	3,700	160	3,540
Class B 50% (as now)	Nil	Nil	Nil
Class A 0%	92,900	3,700	89,200
Class A 25% (as now)	Nil	Nil	Nil
<b>Total</b>	<b>96,600</b>	<b>3,860</b>	<b>92,740</b>

### **Class L Exemption Mortgagees in Possession**

- 2.20 Currently a property repossessed from its former occupier is exempt from paying Council Tax whilst it remains in the possession of the Mortgagee.
- 2.21 The legislation was proposed to allow the authority to make the mortgagee responsible for the Council Tax whilst it remains in its possession. The Banks and Building societies were largely unsupportive of this proposal and the Government have decided not to progress this for 2013/14.
- 2.22 The Council Tax Base will be substantially increased if discounts and exemptions are removed or reduced and any changes will need to be reflected in the Council Tax Base report being considered in a later report at this Committee.

### **ADMINISTRATIVE ISSUES**

- 2.23 A number of these proposals raise additional charges and highlight the lower than full collection rates. Alongside this will be increased recovery and enforcement action which increases the Council administration costs and reduces the net income. These costs will be directly related to the specific discounts adopted and include increased costs of court action, payment processing and postage and stationery. An estimate of between £50,000 and £75,000 is likely if all proposals are adopted.
- 2.24 No additional staff are proposed to administer the work these changes bring in billing, collection and verification requirements. This acknowledges the overall financial position of the Council and the significant changes flowing from the Government Welfare Reform programme. However, this will be monitored as the proposals have the potential to impact on excess of 60,000 of charge payers once the impact of Welfare Reform changes are taken into account.

2.25 An inevitable outcome will be a large increase in contacts to the Call Centre, One Stop Shops / Libraries as well as the web channel alongside the additional work back office staff will face. This will impact adversely upon response rates and will be kept under review to minimise the impact on income maximisation, the service standard charge payers expect and on staff.

### **3.0 RELEVANT RISKS**

3.1 The opportunity to maximise revenue raised could be lost set against the risk of additional financial burden that these charges will bring to charge payers and increased levels of late and non-payment.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 The options are detailed in each section of the report.

### **5.0 CONSULTATION**

5.1 As part of the Localised Council Tax Support Scheme consultation respondents were asked for their views on raising such charges in the 'Council Tax is changing Have Your Say' consultation.

5.2 1,826 responses were received of which 98% were from Wirral residents with 40 voluntary and community organisations also responding. 83% of those responding felt it was appropriate to raise charges against Second Homes and Empty Properties. This response was in the context of the introduction of the new Localised Council Tax Support Scheme which replaces Council Tax Benefit in April 2013.

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

6.1 The likelihood will be that a number of charge payers who see their Council Tax charges increase will look to access these organisations for support and advice.

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

7.1 Financial – The savings and losses on collection are dependent on the level of discount Cabinet resolves to take forward and are summarised in the tables within each section above. The costs of administration these changes will bring are estimated to be between £50,000 and £75,000 depending on the schemes and levels adopted and reflect non staffing cost increases.



**Table 6 : Local Government Finance Act 2012 - Maximum Sum Raised**

<b>Discount / Exemption</b>	<b>Number of properties</b>	<b>Gross Sum Raised</b>	<b>Loss In Collection</b>	<b>Net Sum Collected</b>
		£	£	£
Class A Empty	326	207,000	8,280	198,720
Class C Empty	8,174	2,450,000	735,000	1,715,000
Premium Empty	700	420,000	142,800	277,200
Second Homes	1,024	96,600	3,860	92,740
<b>Total</b>	<b>10,224</b>	<b>3,173,600</b>	<b>889,940</b>	<b>2,283,660</b>
Less :Administration				75,000
<b>Total</b>				<b>2,208,660</b>

7.2 The variations to the discounts and exemptions will generate additional income. With the Class L Empty change not proceeding the maximum additional income in 2013/14 could be £2.2 million. This will impact upon the Council Tax Base and also influence the Council Tax Referendum calculation which impacts upon the level of any Council Tax increase. This will be expanded upon in the report to Budget Cabinet as it is influenced by the levies to be set by the Merseyside Waste and Transport Authorities.

7.4 IT – The changes to the charges will be handled by the current software.

7.5 Staffing – No additional staff are requested at this point but the impact of the breadth of changes will be kept under review for its impact on staff and the standard of service delivered.

7.6 Assets - There are none arising directly from this report.

## **8.0 LEGAL IMPLICATIONS**

8.1 Legal publication of the decisions made will be required.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 The Equality Impact Assessment is attached.

## **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 decisions concerning the level of each discount and exemption be made to ensure that the charges can be levied for 2013/14 and these will take account of the Officer Budget Reduction proposals.

12.2 For Council Tax discounts and exemptions it is recommended that each charge is maximised by agreeing the following :-

**Class A Exemption Vacant Dwellings**

Discount awarded for 2013/14 is set at 0% .

**Class C Exemptions Vacant Dwellings**

Discount awarded for 2013/14 is set at 0%.

**Long Term Empty Premium Charge**

50% Premium to be adopted for 2013/14.

**Second Homes**

0% Discount to be adopted for 2013/14.

12.3. In consequence the Council Tax Base for 2013/14 be revised accordingly.

**13.0 REASON FOR RECOMMENDATIONS**

13.1 To allow Cabinet to decide on the level of discounts and exemptions to be awarded for 2013/14 being able to take account of the financial issues impacting on the authority as well as charge payers.

**REPORT AUTHOR:**

**Neil Powell**

Revenues Manager

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**REFERENCE MATERIAL**

Local Government Finance Act 1992

Local Government Act 2003 Sections 11a and 13a

Local Government Finance Act 2012.

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

**SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Dates</b>
Cabinet	8 December 2011
Cabinet	3 February 2011
Cabinet	9 December 2010

## Equality Impact Assessment Toolkit

### **Section 1: Your details**

**EIA lead Officer:** Neil Powell

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

**Head of Section:** Malcolm Flanagan

**Chief Officer:** Peter Timmins

**Department:** Finance

**Date:** 08.11.12

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

**Proposed Savings Finance Department , Revenues & Benefits**

**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 January 2013.....**

**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](mailto:equalitywatch@wirral.gov.uk) for publishing)

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

Eliminates unlawful discrimination, harassment and victimisation

Advances equality of opportunity

Fosters good relations between groups of people

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

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

**Section 5:** Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)? You may also want to consider socio-economic status of individuals.  
Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications

**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?**

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

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

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

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

# WIRRAL COUNCIL

## CABINET

24 JANUARY 2013

<b>SUBJECT:</b>	<b>COUNCIL TAX BASE</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>INTERIM DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION?</b>	<b>YES</b>

### 1.0 EXECUTIVE SUMMARY

1.1 The Authority is required to annually determine its Council Tax-base. This is in order to determine the appropriate levels for Wirral, the Precepting Authorities (Police and Fire and Rescue) and the Environment Agency (Flood Defence). The Council Tax-base has a direct impact on the Council Tax that will be levied for Wirral for 2013 and the level of Revenue Support grant received from Central Government. There are significant changes this year in how it is calculated.

1.2 The Council Tax-base 2013/14 for Wirral will be set and the figure used for calculating Council Tax charges for 2013-14.

### 2.0 BACKGROUND AND KEY ISSUES

2.1 An analysis of the Council Tax bands within Wirral are shown below:

<b>Band</b>	<b>Value £</b>	<b>Ratio to Band D</b>	<b>2012/13</b>	<b>Band %</b>	<b>Increase on 2011/12</b>	<b>Decrease on 2011/12</b>
A	<£40,000	6/9	58,950	40.3	173	
B	£40,001-£52,000	7/9	31,354	21.4	147	
C	£52,001-£68,000	8/9	27,182	18.6		43
D	£68,001-£88,000	1	13,070	8.9	31	
E	£88,001-£120,000	11/9	8,086	5.5	43	
F	£120,001-£160,000	13/9	4,230	2.9		46
G	£160,001-£320,000	15/9	3,093	2.1		3
H	>£320,000	18/9	270	0.2	1	
<b>TOTAL</b>			<b>146,232</b>			

- 2.2 As at 14 September there were 146,232 properties within the Wirral area compared to 145,929 last year. This is an increase of 303 properties representing a 0.2% increase overall. Wirral has 80% of its properties in Band A to C.
- 2.3 The calculation methodology has changed considerably this year due mainly to the abolition of Council Tax Benefits and the introduction of a localised Council Tax Support Scheme which is counted as a discount rather than a payment of benefits. This then impacts on the taxbase. The calculation process is then as follows:
- Calculate the number of properties at 14 September 2012;
  - Adjust for changes due to demolitions, new builds, discounts, exemptions and disabled relief.
  - Add in any changes expected over the year and reflect the increased level of discounts due to the localised council tax support scheme.
  - Convert the number of “discounted” dwellings in each Council Tax Band to Band D equivalent;
  - Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year. The amended calculation is as below and will be utilised in calculating the Council Tax charge for 2013/14
- 2.4. The following calculation includes only the Council Tax Support Scheme included and no discount and exemptions change from current levels:-

<b>Band</b>	<b>Band D equivalent as at 14 September</b>	<b>Change due from Council Tax Support Scheme only - Band D equivalent</b>	<b>Net Band D equivalent</b>
A	32,572	13,686	18,886.00
B	21,482.8	3,055.1	18,427.69
C	21,776.2	1,648.9	20,127.33
D	11,907.3	537.05	11,370.25
E	9,112	231.03	8,80.97
F	5,673.4	99.65	5,573.75
G	4,795.4	36.65	4,758.75
H	459.0	0	459.00
Band A Disabled 1/9 <sup>th</sup> of Band A	55.7	0	55.70
<b>Total</b>	<b>107,833.8</b>		<b>88,539.45</b>
Collection Rate 97.50%		Adjusted Council Tax Taxbase figure	<b>86,325.96</b>



- 2.5. The following calculation includes the Council Tax Support Scheme and the discount and exemptions charges maximised for 2013/14:-

<b>Band</b>	<b>Band D equivalent as at 14 September</b>	<b>Changes of discounts exemptions Council Tax Support scheme Band D equivalent</b>	<b>Nett Band D equivalent</b>
A	32,572	13,1926.00	19,379.40
B	21,482.8	2,774.79	18,708.01
C	21,776.2	1,471.36	20,304.84
D	11,907.3	457.15	11,450.15
E	9,112	182.26	8,929.74
F	5,673.4	70.18	5,603.22
G	4,795.4	2.65	4,792.75
H	459.0	0	459.00
Band A Disabled 1/9 <sup>th</sup> of Band A	55.7	0	55.70
<b>Total</b>	<b>107,833.8</b>		<b>90,042.81</b>
Collection Rate 96.75%		Adjusted Council Tax Taxbase figure	<b>87,116.4</b>

- 2.6 The collection rate is based upon taking into consideration previous experience and current collection rates the outcome of which is a change in the projected collection rate from 98.5% to 96.75% if discounts and exemptions are changed or 97.5% if no change is made to discount and exemption levels.
- 2.7 This is a significant drop from the high levels achieved of 98.5% over many previous years. The reduction reflects the anticipated substantial impact on late and non-payment due to the introduction of the Localised Council Tax Support scheme, affecting over 20,000 cases replacing the previously fully funded Council Tax Benefit. It is expected that £1 million equivalent to 1% will not be paid.
- 2.8 There is another significant factor and that is the proposed changes to Council Tax Exemptions and Discounts, affecting over 13,000 properties, from 1 April 2013. Although this raises substantial amounts of Council Tax it is expected that £750,000, equivalent to 0.75% will not be paid if this change is taken on and charge levels are maximised.

- 2.9 The collection rate is the rate that best reflects collection over more than just the current year and will therefore take longer than the financial year to achieve. All previous year collections have ultimately met or exceeded projections and this rate should be achieved for 2013/14 despite the significant changes previously explained.
- 2.10 The level of Council Tax is set at each Budget Council. The Budget Council to agree the Budget for 2013/14 is scheduled for 5 March 2013.
- 2.11 This decision may be delegated under Section 84 of the Local Government Act 2003 amended section 67 of the Local Government Finance Act 1992 which means that a full Council meeting is no longer required to adopt the Council tax base. Instead the Council can delegate the tax base determination function in accordance with section 101 of the Local Government Act 1972. This matter is being considered as part of the review of the current scheme of delegation.

### **3.0 RELEVANT RISKS**

- 3.1 If the Council Tax base figure is not declared by 31 January 2013 the Council and Precepting Authorities will be unable to make considered budgetary decisions that could delay the Council Tax bills for 2013/14.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 None.

### **5.0 CONSULTATION**

- 5.1 None required in calculating this figure.

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

- 6.1 None.

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

- 7.1 The Council Tax Base is used to calculate Council Tax levels for 2013/14. Failure to comply with timescales could delay Council Tax bills with the potential to affect collection and cash-flow.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to declare, by means of Council resolution, the Tax Base it will use to calculate the tax level. Council must make this resolution no later than 31 January in the year preceding the Tax.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are none arising from this report and an Equality Impact Assessment is not required.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising from this report.

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

11.1 There are none arising from this report.

## **12.0 RECOMMENDATION**

12.1 That the Council Tax Base figure as detailed in this report be approved by Cabinet and recommended to Council as the Council Tax Base for 2013/14, taking account of Members decision on discounts and exemption levels.

## **13.0 REASON FOR RECOMMENDATION**

13.1. To allow Members to agree and be aware of the Council Tax taxbase for 2013/14 and the changes taken account of in its calculation.

**REPORT AUTHOR:**           **Neil Powell**  
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## **REFERENCE MATERIAL**

Department for Communities and Local Government;  
CTB1 form and accompanying documentation.  
Local Government Finance Act 1992 and 2003  
Valuation Office Agency; Valuation List.

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet	11 December 2011
Cabinet	9 December 2010
Cabinet	9 December 2009

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# WIRRAL COUNCIL

## EMPLOYMENT AND APPOINTMENTS COMMITTEE

24 JANUARY 2013

<b>SUBJECT:</b>	<b>THE EMPLOYMENT CONTRACT OF THE CHIEF EXECUTIVE AND HEAD OF PAID SERVICE</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>THE HEAD OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>THE LEADER OF THE COUNCIL</b>
<b>KEY DECISION?</b>	<b>YES</b>

### 1. EXECUTIVE SUMMARY

1.1 Cabinet received a report on 24 January 2013 concerning the employment contract for the Chief Executive. The Cabinet was invited to recommend to the Employment and Appointments Committee that it recommends to Council at its meeting on 28 January 2013 that Graham Burgess be offered the position of Chief Executive and Head of Paid Service on a permanent basis.

### 2. BACKGROUND AND KEY ISSUES

2.1 On 16 July 2012, the Council agreed the appointment of the Chief Executive and Head of Paid Service on a two-year fixed term contract following an open recruitment process with a number of applicants for the position. The appointment was made through a panel of the three group leaders, advised by the Chair of the Improvement Board.

2.2 Graham Burgess commenced employment on 3 September 2012 and his fixed-term appointment is therefore due to expire in August 2014.

2.3 At Council on 16 July 2012, The Leader of the Council informed Members that a decision had been made to appoint Graham Burgess as Wirral Council's Chief Executive on a two-year fixed term contract.

He indicated that Graham was appointed for his proven track record in a career that had spanned 38 years in local government. Graham, who was from and lived in Liverpool, was currently the Chief Executive of Blackburn with Darwen Borough Council, which had consistently been recognised as one of the highest performing Councils in the UK. During his time there, the authority had twice received the prestigious Council

of the Year title. Graham was also recognised nationally in 2011/12 when he was voted the 4th most influential person in Local Government.

Graham had significant experience in leading major regeneration projects and delivering excellent services, along with a strong influence at both a regional and national level. Since the beginning of the year, he had been a member of the Wirral Council Improvement Board, which was established with the Local Government Association to assist the authority in transforming how it operated. As one of only three people in the country to hold the dual role of Council and Primary Care Trust Chief Executive, his experience of leading the integration of local authority and health services will be of great benefit as responsibility for Public Health functions transfers to Wirral Council over the next year.

Council resolved unanimously on a motion by Councillor P. Davies, seconded by Councillor J. Green and endorsed by Councillor T. Harney, to appoint Mr Burgess as Chief Executive on a fixed term basis.

(Extract from minutes Council 16.07.2012. Item 21)

- 2.4 In the period since then the scale of the Council's financial challenge and the timescales over which savings must be delivered has become clearer and an Improvement Plan has been put in place to ensure the necessary improvements to the Council's Corporate Governance arrangements are implemented. Mr Burgess has also strengthened Individual accountability through the introduction of performance appraisal at a senior level.
- 2.5 The recent Peer Challenge Review concluded that significant progress had been made against the Improvement Plan and that the plans that are in place are appropriate, but come with high risk. A permanent appointment will help reduce that risk as the review also states that having the corporate leadership to deliver the improvement and change agendas are fundamental.
- 2.6 The Peer Challenge Review also found that there was a recognition throughout the organisation of the strategic grip and open style of the Chief Executive and clear and visible leadership that promotes and a feeling of trust in the direction of travel now proposed. The report noted there is a feeling in the organisation that, this time, the changes will be for real. This provides the organisation with an opportunity to achieve the change, improvement and transformation required.
- 2.7 The Council requires stability and leadership at Senior Management Level over a longer period of time which will allow the focus to remain on addressing the financial challenge facing the organisation while delivering the essential improvements required to the Council's corporate governance.

- 2.8 It is therefore recommended that the current Chief Executive and Head of Paid Service, Graham Burgess is offered the post on a permanent basis and if accepted, be appointed accordingly.
- 2.9 The appointment of a Chief Executive and Head of Paid Service is a Council decision. Therefore Cabinet are asked to consider the proposal and recommend it to the Employment and Appointments Committee who will be asked to consider the proposal and recommend to Council that the Graham Burgess be offered the post on a permanent basis as Chief Executive and Head of Paid Service and if accepted that the appointment be confirmed with immediate effect from that date.

### **3 RELEVANT RISKS**

- 3.1 There is a potential risk of instability and uncertainty of a continued fixed-term arrangement at Chief Executive level in the context of such a challenging financial environment.
- 3.2 The current fixed term arrangement is due to expire in August 2014. Should the Council need to start the recruitment process to succeed the current postholder this would potentially commence in December 2013/January 2014. This would potentially have a negative impact on the Council's medium and long term strategic and financial planning at a critical time and cause some uncertainty and distraction for a significant period of the current fixed term period.

### **4 OTHER OPTIONS CONSIDERED**

- 4.1 Continuation of an extended fixed-term arrangement has been considered. However this option does not provide the longer-term stability that the Council requires at senior level at this time.

### **5. CONSULTATION**

- 5.1 N/A

### **6. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 N/A

### **7. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 Mr Burgess is paid at the top of the Chief Executive salary range of £121,807 - £135, 341 per annum. Whilst the Council retains a Chief Executive post, there will be a cost of employment regardless of whether

it is a fixed term or permanent arrangement. There is no increase in the costs to the Council.

7.2 There are no pension costs associated with Mr Burgess' employment. This saves the Council approximately £16,376 per annum.

## **8. LEGAL IMPLICATIONS**

8.1 Mr Burgess will be entitled to the same employment rights as any permanent Chief Executive.

## **9. EQUALITIES IMPLICATIONS**

9.1 Equality impact assessments are published for all options for change. All equalities issues are considered as part of consultation.

9.2 The EIA attached to this report, and is available at:

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

## **10. CARBON REDUCTION IMPLICATIONS**

10.1 Not applicable for this report.

## **11. PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 Not applicable for this report.

## **12. RECOMMENDATION/S**

12.1 That the Employment and Appointments Committee considers the issues raised in the report and that a recommendation be made to Council at its meeting on 28 January 2013 that: Graham Burgess be offered the position of Chief Executive and Head of Paid Service on a permanent basis with immediate effect on 28 January 2013.

## **13. REASON/S FOR RECOMMENDATION/S**

13.1 A permanent appointment will provide the stability and leadership required by the organisation at senior management level at a period of significant and unprecedented change.

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**APPENDICES**

None

**REFERENCE MATERIAL**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Council	16 July 2012

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