



# Cabinet

<b>Date:</b>	<b>Thursday, 13 June 2013</b>
<b>Time:</b>	<b>6.15 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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## AGENDA

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

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.

## GOVERNANCE AND IMPROVEMENT

### 3. CORPORATE PEER CHALLENGE - SUMMARY REPORT (Pages 1 - 8)

### 4. IMPROVEMENT PLAN - PROGRESS REPORT (Pages 9 - 38)

## ADULT SOCIAL CARE AND PUBLIC HEALTH

### 5. BUDGET OPTION - TRANSFORMATION OF DAY SERVICES

Report to follow due to consultation period finishing on 5 June.

### 6. BUDGET OPTION - RESIDENTIAL AND SHORT BREAKS (Pages 39 - 56)

## **NEIGHBOURHOODS, HOUSING AND ENGAGEMENT**

- 7. POLICY ON DISCHARGE OF STATUTORY HOMELESSNESS DUTY INTO THE PRIVATE RENTED SECTOR (Pages 57 - 74)**
- 8. TENANCY STRATEGY STATEMENT (Pages 75 - 98)**
- 9. COMMITTEE REFERRAL - UNDER-OCCUPATION SCRUTINY REVIEW (Pages 99 - 152)**

The Under-Occupation Scrutiny Review has been referred to Cabinet by the Economy and Regeneration Overview and Scrutiny Committee.

Attached are the minute, report and Scrutiny Review.

## **CHILDREN AND FAMILY SERVICES**

- 10. ADOPTION REFORM GRANT (Pages 153 - 166)**
- 11. CAREERS, EDUCATION, INFORMATION, ADVICE AND GUIDANCE SERVICE 2014/15 (Pages 167 - 184)**
- 12. PENSBY / STANLEY SCHOOLS CO-LOCATION PROJECT - FINANCIAL POSITION (Pages 185 - 188)**
- 13. COMMISSIONING OF SIX DAY NURSERY PROVISIONS (Pages 189 - 210)**
- 14. SOMERVILLE PRIMARY SCHOOL - EXTENSION AND REFURBISHMENT (Pages 211 - 214)**
- 15. CHILD POVERTY PROJECT PROPOSAL (Pages 215 - 228)**

## **FINANCE**

- 16. FINANCIAL OUT-TURN 2012/13 (Pages 229 - 260)**
- 17. FINANCIAL MONITORING 2013/14 (Pages 261 - 310)**
- 18. COMMITTEE REFERRAL - ANNUAL REPORT - AUDIT AND RISK MANAGEMENT COMMITTEE (Pages 311 - 328)**

The Annual Report of the Audit Risk and Management Committee was considered by that Committee on 19 March, 2013, at which it was agreed that the Annual Report 2012/13 be approved and referred to the Cabinet.

## **HIGHWAYS AND TRANSPORTATION**

- 19. LOCAL SUSTAINABLE TRANSPORT FUND 2013/14 PROGRAMME (Pages 329 - 338)**

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

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

**21. 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.

**FINANCE**

**22. EXEMPT APPENDIX (Pages 339 - 344)**

- Appendix to agenda item 16, Appendix 3, Collection Summary  
**Financial Out-turn 2012/13**

Exempt by virtue of paragraph 3 as it contains commercially sensitive information.

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

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

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# Corporate Peer Challenge Follow-up visit to **Wirral Council**

8<sup>th</sup>-9<sup>th</sup> May 2013

Summary Report

## 1. Background and scope of the follow up visit

It was a pleasure and privilege to be invited back to help Wirral Council assess the progress made since the Local Government Association (LGA) corporate peer challenge in October 2012. The peer team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site, and the participation of elected members, staff, partners and other stakeholders in the process.

The follow up visit, as with the full peer challenge, aimed to be improvement-focussed and tailored to meet Wirral Council's needs. The visit was designed to complement and add value to your own performance and improvement focus. Peers used their experience and knowledge of local government to reflect on the information presented to them by people they meet, things they saw and material that they read. The peer team provided feedback as 'critical friends', not as assessors or inspectors.

The peers who carried out the follow up visit to Wirral Council were all members of the original peer challenge team:

Rob Vincent – former Chief Executive of Kirklees Council and Doncaster Council
Councillor Peter Smith (Labour) – Leader of Wigan Council
Councillor Michael White (Conservative) – Leader of Havering Council
Jamie Morris – Executive Director, Walsall Council
Ian Simpson – Performance Improvement Consultant
Andy Bates – Principal Adviser (Peer Support) LGA
Paul Clarke – LGA Peer Challenge Manager

In terms of the scope and purpose of the visit, you asked the peer team to provide an external 'stock take' of improvement journey made since the peer challenge in October 2012 by highlighting notable progress, but more importantly by identifying areas requiring further attention, improvement and development. You asked the peer team to focus on:

- Financial risk management
- Organisational development and transformation
- Governance and decision-making

The peer team prepared for the visit by reviewing a range of documents and information to ensure they were familiar with the key developments that have occurred since the peer challenge in October 2012. The team then spent 2 days onsite at Wirral, during which they:

- Spoke to nearly 60 people including a range of council staff (including senior management, service managers, and frontline staff), together with councillors from all political parties.

- Met with a range of external partners including those from the business community and other public service providers.
- Gathered information and views from more than 25 meetings
- Collectively spent more than 140 hours to determine their findings – the equivalent of one person spending nearly 4 weeks working in Wirral.

This report provides a brief written summary of the peer team's feedback presentation provided at the end of their onsite visit (8<sup>th</sup>-9<sup>th</sup> May 2013).

## **2. Overall messages**

There has been an impressive journey of improvement since the peer challenge in October 2012. You have come a long way and should be pleased and proud with the substantial progress you have made. We got a strong sense that the organisation is significantly more confident and decisive about the issues and challenges it faces and its ability to respond to them. There is external recognition of this, with many of the partners and other stakeholders we spoke to acknowledging how the authority has improved in the past few months. You are obviously playing a greater role in the city region and your profile and credibility appear to have grown.

There are recent developments that suggest you are more in control of your destiny and direction of travel. For example, you have developed a new corporate plan which sets out clearly and concisely the priorities that the council is working to in the medium term. Significant headway has been made with the more immediate financial challenges the authority was facing at the time of our previous visit. Key changes to your constitution are being implemented to strengthen governance, increase transparency and improve the quality of decision making.

You are now able to take a more proactive look at the future having reacted well to the challenges presented by the past. There are some ambitious plans and proposals emerging, such as the Constituency Committees, and thinking is evolving about the next phase of the Council's transformation. The latter is being informed by learning and challenge that you have sought from others in the sector, including continued support from the Improvement Board, visits to other local authorities and external assistance from the LGA, Centre for Public Scrutiny, Local Partnerships and others.

The improvement journey to date is clearly evident. The scale and extent of your progress would undoubtedly warrant a pause for reflection and celebration in many other organisations. But such is the scale of the challenges that remain in Wirral, you cannot allow the pace of change to slow. Significant risks remain and the momentum needs to be maintained, the grip must remain tight, and leadership (political and managerial) must stay strong.

### **2.1 Financial risk management**

You have made significant headway in getting to grips with the financial challenges that the authority was facing at the time of our visit in October 2012. You had little choice

but to do this of course, but nonetheless it is very evident that a great deal of energy and determination has been put into devising plans that are capable of stabilising the finances of the organisation and identifying the savings required for future viability. You have adopted plans for a balanced budget for 2013/14 after an extensive budget consultation exercise. You appear to have identified approximately two thirds of the savings required over the duration of the medium term financial plan (2013-2016). You have rightly put in place robust monitoring arrangements, improved financial management discipline across the organisation, and established a clear and transparent strategy and timetable for future budget development. You recognise that you need to resolve the issue relating to equal pay and again you are forming an approach to deal with this.

However, the council still faces major challenges during this year in delivering the identified savings. The budget you have set and the unprecedented scale of the in-year savings being pursued are extremely ambitious and there are substantial risks in achieving them. It is too early in the financial year for assurances about the deliverability of the savings. We suggest it is unlikely they will be delivered without some further difficulties and tough decisions along the way. There would of course be an accumulating effect of falling behind target, and given the scale of the savings required at Wirral, this increases the level of risk. You appreciate this and know that keeping the finances under control remains the immediate priority. Losing grip on them will weaken your ability to deliver the change and transformation required.

We encourage the continued emphasis on robust monitoring of the finances and the swift decisive action that may be required. We urge you not to underestimate the challenge of identifying new savings options. The experience of other authorities is that decisions required to achieve further savings will become harder and harder. As one person put it, 'the path gets steeper'. Whilst the amount of savings might reduce, the relative difficulty of identifying and achieving them increase the more progress you make towards your total savings target. Added to this is the fact that the environment in which local authorities are operating in remains far from stable. There are undoubtedly new financial challenges on the horizon, the next Comprehensive Spending Round (CSR) being an obvious one.

## **2.2 Organisational development and transformation**

Our visit has left us in no doubt that that the organisation is significantly more confident about the issues and challenges it faces and its ability to respond to them. There are palpable changes in attitudes and behaviours, and many of the officers and members we met demonstrated and articulated a clearer sense of ownership and responsibility. This in part demonstrates the speed at which change is occurring at Wirral, and the improved internal communications now in place. This is positive, and provides a good foundation as you look to build the culture of the future organisation.

You had already made the decision to invest in strategic leadership when we carried out the peer challenge in October 2012. The new Strategic Director appointments are seen as positive and now complete the line-up of the Chief Executive's Strategy Group which has a good mix of internal and external appointments. We think there is now a timely opportunity to provide a new form and style of leadership to the organisation – in terms



of addressing the strategic challenges, but also to support and empower the capacity and confidence of managers and staff to deliver the ambitious agenda being set. In doing this it will be important that Directors and leading councillors are visible across the organisation.

This is particularly important given that the current restructure will reduce the number of management posts by approximately a third. You will need to take care that the remaining service and team leaders are well supported and keep an eye on indicators of organisational health such as staff morale and sickness absence. The staff survey provides one mechanism to measure some of this, but the internal communication channels you have introduced and other regular opportunities for face-to-face engagement will be important too.

We think now is the time to strengthen the corporate support functions. You have rightly sought interim capacity and expertise to help tackle the most pressing and acute challenges and implement the immediate changes required. This approach has served you well. We highlighted in our last report that you need to strengthen your HR capacity and we still think this is the case. We suggest you now need to do some 'long term strengthening' rather than 'short term patching', shifting the emphasis from repairing the current organisation with interim expertise to building the future one with permanent capacity. In doing this you will need to consider the style of some of the support functions the council of the future requires. Undoubtedly this will be less about 'regulating and ensuring' compliance and more about 'enabling and facilitating' new ways of working.

This, along with a fresh approach to performance management, will we think support a new organisational culture we know you are keen to develop and embed. You appreciate that good performance management is a basic strength of a well-functioning organisation, and have started to develop a new approach that shifts the emphasis from 'performance measurement' to 'performance culture'. We encourage you to continue with this work at pace so that a new approach can be implemented.

## **Transformation**

You have rightly begun to develop your thinking about the council of the future. There is not yet a fully formed vision of the future organisation though and this is becoming increasingly required. It will be needed to drive and inform the next phase of organisational development and transformation at Wirral. A fully owned, clear vision of what the organisation looks like in 3-4 years' time, including key service delivery methods, levels of service provided, and ways of working will help inform the transformation activity required. It will also help inform the above mentioned strengthening of corporate support functions, and determine the culture change needed.

You have started to shape the new transformation programme, considering the key projects for 2013/14 that will contribute to it. It is still at a formative stage and you are keen to develop it into a fully matured programme. We know you are intending to do this over the forthcoming weeks. In doing this we suggest you will wish to consider the following:

- Is the programme ambitious enough? Are the projects and activity proposed relative to the scale of change required?
- Are linkages, sequencing, and inter-dependencies between the various projects and activity clear?
- Is their sufficient capacity to deliver the programme and project activity?
- The programme management and governance arrangements, ensuring robust monitoring and accountability.
- The contribution to the budget strategy. Whilst not all projects may have an objective of saving money, for those that do a clear indication of savings and the timescale over which they will be achieved will be required.
- Ownership from the whole organisation – in terms of awareness and understanding, but also opportunity to contribute to the transformational activity
- Letting staff know what is happening and it how impacts on them. They need to feel part of the programme, not just affected by it.

There will, we suggest, also be a need to take the residents of Wirral with you. Radical changes will only be possible if the people understand what it is you are trying to do. You have already successfully engaged local people in budget consultation, so there is something to build on here.

### **2.3 Governance and decision-making**

Strengthening governance and decision-making was a key priority when we last visited Wirral. Since then, clear steps have been taken to improve and strengthen it. You have carried out a fundamental review of governance arrangements which has resulted in revisions to the scheme of delegation, proposals to strengthen the overview and scrutiny function, and constitutional changes intended to improve the procedure for full council meetings. Much of this has been welcomed across the authority but as with all new arrangements, we encourage you to keep the new practice under review to ensure the changes are successful and effective in providing opportunities for all members to inform key debates and hold decision-makers to account. A review after an agreed period of time may be something to consider.

Perhaps more noteworthy than changes to procedural rules and processes, has been the openness and transparency the council has demonstrated in dealing with new challenges and issues. The way you dealt with the debt management issues that surfaced after the peer challenge in October for example shows an evolved style of responding to significant challenges. Action was swift and decisive, including seeking external independent support and expertise, and now looks to be resulting in a substantial reduction in outstanding debt.

We noted the considerable progress made in advancing your plans to strengthen local leadership and implement a neighbourhood working approach. The thinking on this was very embryonic during our last visit, but since then you have evidently put a lot of energy and focus on developing proposals designed to enable local elected members and citizens to influence and shape services in their areas. The proposed model of

four Constituency Committees and the involvement and integration of partner agencies in the arrangements looks ambitious and exciting. It will be important that members continue to be engaged in shaping how the Committees will operate, and that there is relevant training, development and support provided. Beyond these new arrangements we think it will be useful that further consideration is given to how the roles of members may need to evolve in the context of the council of the future.

The Public Service Board is another new development since the peer challenge. It looks like it will work well. You are building some clear linkages to the Constituency Committees, but we encourage you to think through how it relates to your ambitions for the Health and Well Being Board and how the various other strategic partnerships such as Community Safety and Children and Young Persons all fit together.

### **3. Key issues to take forward**

You have made enormous progress in addressing a very challenging set of issues. We have sought to highlight some of this progress and the many positive developments that have occurred since the peer challenge in October 2012. We have also identified what we think are the areas where further improvement is still required. We know you are aware of many of these and are already developing plans and proposals.

We think the following are the key issues you need to focus on and take forward:

1. Continue emphasis on financial management, including the robust monitoring you have introduced to ensure that identified savings are delivered.
2. Progress your thinking on the council of the future so that it drives and informs the new transformation programme and other organisational development.
3. Strengthen corporate functions to enable change to be delivered. Now is the time to move away from interim arrangements and plan capacity for the longer-term.
4. Continue to do things at pace, hold your nerve and be prepared to take the tougher decisions ahead. The hardest decisions probably still lie ahead.
5. Use the opportunity that a new 'top team' presents to promote cultural change throughout the organisation. Lead the organisation as well as the strategic change agenda.

All of us connected with the peer challenge would like to wish the council and the borough every success in the future.

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## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT:</b>	<b><i>IMPROVEMENT PLAN – PROGRESS REPORT</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>DIRECTOR OF PUBLIC HEALTH/HEAD OF POLICY &amp; PERFORMANCE</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>CLLR ANN MCLACHLAN</i></b>
<b>KEY DECISION?</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on progress delivering the Council's Improvement Plan six months into implementation.
- 1.2 It should be recognised that significant changes have now taken place since the Improvement Plan was developed during summer 2012. The Plan reflects the position the Council was in at that time with an emphasis on the need to get some of the basic infrastructure for change in place to enable the organisation to begin a longer process of transformation.
- 1.3 We are changing the emphasis of the Plan to ensure that it is more outcome-based. Within this covering report we have identified those outcomes that we believe will demonstrate the impact of the changes we are making as an organisation against the priorities that were set in July 2012. They will also enable us to be stronger in our approach to delivering the commitments made in our Corporate Plan for 2013-16. Looking forward, the focus for the next six months will be on ensuring we can evidence the actions we have taken that show we are strengthening corporate culture to meet our current and future challenges. Key priorities will be to embed a new performance culture as well as embarking on a series of transformational projects that we see as essential in shaping the Council we will be by 2016. The Peer Challenge follow-up visit recommendations support this, particularly around the need to strengthen our corporate functions and linking our transformation programme to a vision of our future.
- 1.4 The report is accompanied by a detailed milestone report (Appendix 1) which includes a summary of progress against each of the Improvement Plan objectives and a Red, Amber, Green, Blue (RAGB) rating.
- 1.5 Of the 45 objectives within the plan:
- 11 are rated blue and have now been completed
  - 13 are rated green and are on track, in progress and complete to plan with no issues
  - 21 are rated amber which are not yet complete, a risk but not yet an issue
  - 0 are rated red and are a problem requiring serious attention or action

- 1.6 This (RAGB) rating illustrates that significant progress has been made. The report narrative set out below highlights the main areas of progress and those areas requiring more attention. There is a summary against each of the five Improvement Plan priorities and at the end of each section, a list of the key supporting evidence. Where these documents are publicly accessible, a hyperlink has been included.
- 1.7 Progress with Priority 1 'Political and Managerial Leadership' has been strong with the delivery of a series of development sessions for all Members to shape the Council's vision and transformation priorities. However, some activities under this priority, specifically the Leadership and Cultural Change Programmes have been deferred until the autumn once the organisational restructure (currently being implemented) is complete.
- 1.8 There has been good progress under Priority 2 'Corporate Governance and Decision-Making,' specifically in terms of the completion of a constitutional review that delivers a number of improvements in Council governance. Areas under this priority that now require significant attention include improving the Council's arrangements for Risk Management and Procurement.
- 1.9 Overall, progress against Priority 3 'Corporate Plan' and priority 4 'Budget and Financial Stability' has been very strong in view of the business need to meet the challenges of reduced funding whilst also rectifying historical issues in terms of base budget setting and debt recovery. The success of the 'What Really Matters' consultation has provided a foundation upon which to develop our new Corporate Plan and Council priorities. The consultation also provided local residents with a say in determining the budget options which deliver over £40 million worth of savings in 2013/14.
- 1.10 In terms of Priority 5, the Improvement Board acknowledges that the Council's Investment Strategy and approach to economic development are an area of high achievement. Progress has also been made in relation to safeguarding in Adult Social Services with the implementation of an action plan in response to a safeguarding peer review in 2012.

## **2.0 BACKGROUND AND HISTORY**

- 2.1 The Improvement Plan was approved by Cabinet on 6<sup>th</sup> September. This approval effectively provides the start date for the Improvement Programme. In line with the reporting arrangements agreed, progress reports have been submitted to Cabinet in November and to Council Excellence Overview and Scrutiny Committee in November and January. The progress set out in this report has been reviewed in collaboration with the relevant senior managers.

## **3.0 SUMMARY BY PRIORITY AREA**

### **PRIORITY 1 – Leadership: Political and Managerial**

- 3.1 Effective leadership, based on a positive working relationship between politicians and management which is based on trust and respect is a key ingredient of being able to establish a strong corporate culture and a sense of organisational cohesiveness. Success in delivering this priority would mean that:
- We have politicians who feel able to act with confidence in their decision-making

- We have a senior management structure that exemplifies and sets standards for good behaviour
- We have an embedded and effective scheme of delegation
- We have strong partnerships, evidenced by joint working arrangements
- Our community knows what we are doing on their behalf, how to connect with us and is engaged with the development of our proposals

3.2 Progress is acknowledged by the Improvement Board with a new culture at the top of the organisation. New Member briefing and decision-making processes have been implemented and regular Cabinet briefing and development sessions are held, supported by individual Portfolio Holder briefings. The more structured briefing arrangements has meant that Portfolio Holders now feel confident in presenting reports at Cabinet meetings.

3.3 Progress has been made in developing a new Member Training and Development programme. However, the collaborative leadership and cultural change programmes have been put on hold until the new management and organisational structures are in place.

3.4 A series of Member sessions have been delivered to promote discussion, develop ideas and identify Members' priorities. These events have also helped shape the Council's new vision, governance arrangements and transformational projects. There has also been a review of neighbourhood working and the Council's scrutiny function resulting in proposals for Constituency Committees and Policy and Performance Committees.

3.5 Whilst full implementation of activities to improve the support services for members, including a new members' toolkit, enquiry and case management system have been delayed, these are being rolled out on a phased basis.

3.6 The senior management restructure is now complete with three new Strategic Directors in place. The wider organisational restructure is well under way and across the organisation, selection processes are going on to support the move to the new structure.

3.7 Relevant supporting documents to evidence progress include:

- New leadership behaviours (set out on page 15 of the corporate plan): <http://www.wirral.gov.uk/my-services/council-and-democracy/council-performance/corporate-plan>
- Skills for Wirral Councillors – Member Training and Development Programme.
- Revised Member/officer protocol (as part of revised constitution). Cabinet report: <http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4447&Ver=4>
- A vision for the borough set out in the Corporate Plan (see link above).
- New organisational management structure in place.

## **PRIORITY 2 – Corporate Governance and Decision-Making**

3.8 Being able to show clear outcomes relating to our responsibility as an accountable organisation, and supporting us being a learning organisation is important to us. We will also ensure that we have good systems to support decision-making. Success in delivering this priority would mean that:

- We regularly review our performance and take action when things aren't right
- Decisions are made in a transparent way, and information is more easily available to the public
- We have open discussions about what we are planning to do in the right way at the right time e.g. pre-decision scrutiny
- We assess our risks and put in place proportionate responses
- We encourage innovation (i.e. managed risks)
- We ensure that citizen engagement and empowerment in transforming the areas where they live is continuously improved
- We have strengthened the ways in which people can raise their concerns, e.g. our Whistleblowing Policy

- 3.9 A new Code of Corporate Governance was agreed in April 2012 and reflects the CIPFA/SOLACE framework. Work to map the Council's various plans, policies and strategies that underpin this code is on-going. Dedicated training is scheduled to be included in the revised Members Training and Development Programme for 2013 and will be incorporated into the collaborative leadership programme to be launched later this year.
- 3.10 The Council's Scheme of Delegation and Member Officer protocol have been updated as part of the wider constitutional review. These were approved by Cabinet on 18<sup>th</sup> April and Council on 30<sup>th</sup> April.
- 3.11 The Council's Contract Procedure Rules and Financial Regulations have been updated and have been approved in principle by Council.
- 3.12 A review of the Council's internal audit function and the development of a three year action plan has been undertaken and agreed by Audit and Risk Committee. A similar review of the Council's corporate risk management arrangements is underway and is now being taken forward as a priority.
- 3.13 The Council's policy unit has been consolidated within the Policy, Performance and Public Health Function.
- 3.14 A Local Public Service Board has now been established and meets regularly to explore integrated approaches to meeting community needs and service design.
- 3.15 Relevant supporting documents to evidence progress include:
- Revised Code of Corporate Governance.
  - Revised Scheme of Delegation (as part of revised constitution). Cabinet report: <http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4447&Ver=4>
  - Enhanced neighbourhood working through Area Committees. Cabinet report: <http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=3869&Ver=4>
  - Revised Member Briefing and Decision-Making Process
  - Proposals for revised Contract Procedure Rules. Report to Audit and Risk Management Committee: <http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=119&MId=4448&Ver=4>
  - Revised procurement toolkit
  - Public Service Board (Terms of Reference)
  - Liverpool City Region Welfare Reform Event



### **PRIORITY 3 – Corporate Plan**

- 3.16 Setting a clear, sustainable direction and vision for the future is the basis of making sure that our actions as a Council, and with our partners translates into action through a golden thread that leads from the Corporate Plan through to individual objectives. The recent Peer Challenge highlighted the need to fully implement a performance system and culture. This will be set in the context of our ambitions for our Borough set out with our partners. Success in delivering this priority would mean that:
- We have a clearly articulated vision, understood by all
  - We are clear about what we are in the business of, and how we intend to go about it
  - Corporate planning will demonstrate evidence of our improvement activities
- 3.17 A new Corporate Plan was approved by Cabinet on 18<sup>th</sup> February, informed by the What Really Matters consultation. The consultation was successfully delivered alongside a programme of service reviews to engage members of the public in determining the budget options which are now being taken forward within the efficiency programme.
- 3.18 Work is now progressing to develop Directorate business plans in line with the new organisational structure agreed. These are scheduled to be signed off with Portfolio Holders at the end of May and the associated performance management framework will be submitted to Council for approval in May.
- 3.19 Our new performance appraisal system will be integral to strengthening our performance culture and will be rolled out through the management tiers and the wider workforce during the year. Further work to review and update the Council's HR policies is being undertaken on a phased basis to support the organisational restructure and delivery of the budget options.
- 3.20 Relevant supporting documents to evidence progress include:
- Outcome of What Really Matters Consultation: <http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=3870&Ver=4>
  - Corporate Plan 2013-2016: <http://www.wirral.gov.uk/my-services/council-and-democracy/council-performance/corporate-plan>

### **PRIORITY 4 – Budget and Financial Stability**

- 3.21 We have made significant headway in stabilising our finances. We are conscious that we still have substantial risks that need to be addressed. Our budget and financial stability is critical to the future. We look to be able to show that we use our resources wisely to meet our future challenges. We would expect to be able to demonstrate that:
- We have a strong grip on budgetary control and financial planning
  - We have rationalised our assets and have designed the use of them to get the most out of our people and other resources
  - We have good systems for outcome-based commissioning supported by effective procurement and contracting of services
- 3.22 The Council has recently delivered the most challenging budget the local authority has ever faced. The budget for 2013/14 which delivers over £40 million in savings was approved by the Council on 5<sup>th</sup> March. A strong governance and reporting model has also been adopted for delivery of the budget options within the efficiency programme.

3.23 Detailed work undertaken to establish the Council's financial position has also led to:

- Steps being taken to address historical base budget issues resulting from increased demand for services and the failure to meet income targets.
- The provision of training for all budget holders on the Council's financial management and budget delivery arrangements, including the need to sign off agreed budgets.
- Development of a budget strategy and timetable for 2014-16 in order to identify the further savings required based on comprehensive consultation with residents.

3.24 The section 151 officer has implemented weekly budget review meetings and monthly monitor reports to Cabinet to create a more open and transparent approach.

3.25 Initial scoping of the work required to develop the Council's commissioning strategy has been undertaken including a review of the Council's existing commissioning framework. Steps to build further capacity are now being pursued through a submission to the Commissioning Academy.

3.26 Key transformational projects have been brought forward and will be developed further so that they are aligned with an overall vision of the council of the future. The Strategic Change Programme has now been designed around the Efficiency Programme arising from the budget options.

3.27 Relevant supporting documents to evidence progress include:

- Budget Cabinet 18<sup>th</sup> February:  
<http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=3872&Ver=4>
- Budget Council 5<sup>th</sup> March 2013:  
<http://democracy.wirral.gov.uk/mgAi.aspx?ID=20942#mgDocuments>
- Planning the Budget Process 2014/17. Cabinet 18<sup>th</sup> April 2013:  
<http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4447&Ver=4>

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

3.28 While the critical service areas identified have been addressed, we will ensure we keep oversight of them as issues through our scrutiny arrangements. As a point of principle we will ensure that we are a customer-focused organisation. This would be illustrated by measures such as:

- We regularly review customer satisfaction with our services to ensure its is improving
- We design our services around the customer, not around the organisation
- We engage with and are visible to our local communities
- There is widespread community/stakeholder involvement in the development of our services

3.29 A Safeguarding Peer Challenge has taken place and the Adult Social Care team have also undergone Peer Review. The findings of these reviews have been reported internally to the Council and to the Health and Wellbeing Overview & Scrutiny Committee. The Adult Protection Strategy meetings ensure the recommendations from the safeguarding Peer Review are implemented.

3.30 In terms of Developing the Local Economy, a report and presentation were delivered to the Improvement Board in October 2012 and it was agreed that the Investment Strategy Board is the most appropriate forum to continue its successful work in championing this priority for the Council.

3.31 Relevant supporting documents to evidence progress include:

- Outcome of Safeguarding Peer Challenge and Adult Social Care Peer Review. Health and Well Being O&S Committee 10<sup>th</sup> September 2012:  
<http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=531&MId=3911&Ver=4>
- Implementation of recommendations from AKA Report. Health and Well Being O&S Committee 10<sup>th</sup> September 2012 (see link above).

#### **4.0 RELEVANT RISKS**

4.1 Our corporate risk register has been reviewed and will be considered by Cabinet in May. It includes risks relating to our capacity to deliver our ambitions for change.

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

5.1 Our approach to tackling the issues facing the Council was recognised by the Peer Challenge (October 2012) as the only option for the Council and as such, no other options have been considered.

#### **6.0 CONSULTATION**

6.1 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.

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

7.1 There are none arising directly from this report.

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

8.1 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.

#### **9.0 LEGAL IMPLICATIONS**

9.1 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 which will be / have been reported to Cabinet as required.

#### **10.0 EQUALITIES IMPLICATIONS**

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

(a) No – an EIA is not required.

## 11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are none arising directly from this report.

## 12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

## 13.0 RECOMMENDATION/S

13.1 The Cabinet is requested to reflect on the progress made within the plan and to provide any comments or observations.

13.2 It is recommended that the Improvement Plan shifts its focus to outcomes as described in the priority sections above.

13.3 That a further progress report is brought to Cabinet in September.

## 14.0 REASON/S FOR RECOMMENDATION/S

14.1 The people who live, work and enjoy leisure on the Wirral deserve excellence from their Council. Significant changes have been made in the last six months which are providing a good foundation for the future. Having made these changes there will be benefit in changing the emphasis from process actions, to outcomes and to being able to show how the changes we have made are being embedded into the normal business of the local authority.

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## APPENDICES

### Appendix 1 – Milestones Progress Report / Red/Amber/Green/Blue Status

#### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	6 <sup>th</sup> September 2012
Cabinet	29 <sup>th</sup> November 2012
Council Excellence Overview & Scrutiny Committee	27 <sup>th</sup> November 2012
Council Excellence Overview & Scrutiny Committee	30 <sup>th</sup> January 2013

## **Appendix 1: Review of Improvement Plan Milestones**

A review of the Improvement Plan has been conducted. Progress against each milestone has been assessed in terms of completion. This appendix provides a detailed examination of the milestones and outputs to illustrate the extent of the activity undertaken in support of the outcomes the Improvement Plan seeks to achieve.

The RAGB status for the overall objective is an assessment of the progress made overall in achieving the outcome. The criteria for which is:

Blue: have now been completed

Green: on track, in progress and complete to plan with no issues

Amber: not yet complete, a risk but not yet an issue

Red: a problem requiring serious attention or action

The RAGB status for individual milestones reflects that specific activity whereby:

Blue: Activity complete

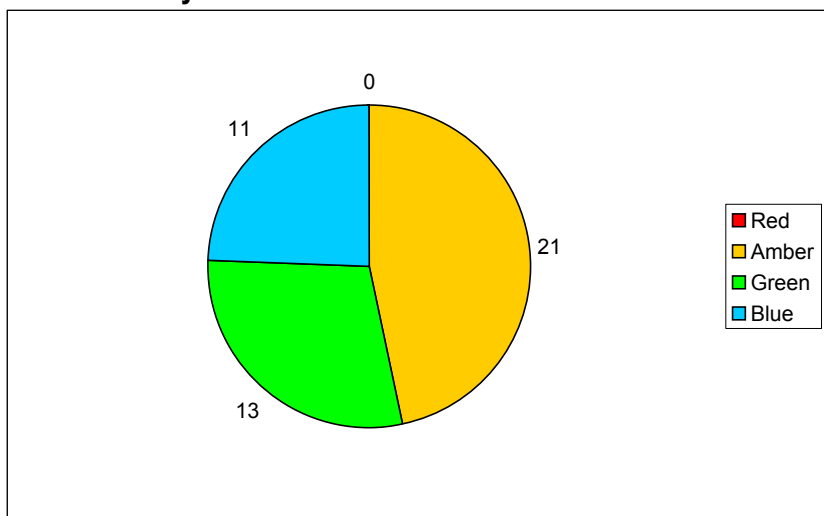
Red: Activity slipped beyond required timescales

Amber: Activity has progressed but it is not certain that it will be completed within the required timescale

Green: Activity will be delivered within the required timescale.

**Total Number of Improvement Plan Objectives = 45**

### **Breakdown by RAGB Status**



## Priority : 1

### Priority 1: Leadership: Political and Managerial

#### Target : 1.1

Target 1: Design and implement a leadership programme

#### Objective : 1.1.1

Establish the leadership competencies and behaviours required by the Council for good governance.

**Delivered by :** Law, HR & Asset Management

**Target leader :** Holt, Melissa

Amber	Leadership competencies and behaviours have been designed. During the restructure resources have been targeted to supporting leaders and managers in resilience and managing change techniques. The Leadership competencies will be embedded in the Leadership development programme commencing in September and be used in performance appraisals.
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Milestone	End date	RAGB
01 Leadership Expectations (competencies) designed	Aug-12	B
02 Leadership Behaviours developed and agreed	Sep-12	B
03 360 Feedback questions developed based on new Leadership Behaviours	Sep-12	B
04 Review Leadership Expectations (competencies) in line with new organisational values, code of corporate governance and scheme of delegation	Jun-13	G
05 Embed behaviours in the performance appraisal process	Sep-13	G
06 Behaviours to be embedded in the Leadership programme	Mar-14	G

#### Objective : 1.1.2

Design and deliver a learning programme for Cabinet and Senior Management Teams to address individual needs, informed by the gap analysis.

**Delivered by :** Law, HR & Asset Management

**Target leader :** Holt, Melissa

Amber	75% of Elected Members Personal Development Plans have been completed. Training needs have been collated and a programme of activity to meet these needs has been developed for Cabinet and elected members. The programme for senior management has been paused whilst the restructure has taken place. Now all Strategic Directors are in place, staff PDPs will be undertaken and training needs collated. A new Leadership programme to meet these needs will be launched in September 2013.
-------	--

Milestone	End date	RAGB
01 North West Employers Association briefing to Member Training Steering Group on Member Charter.	Nov-12	G
02 Elected Members Development programme developed by Member Steering Group with support from LGA & NWE0.	Dec-12	G
03 Skills for Wirral Councillors Programme finalised and published	Dec-12	G
04 Target of 75% of elected member personal development plans to be completed.	Feb-13	G
05 All PDP requests collated, reviewed and where appropriate commissioned.	Feb-13	G
06 Member Charter self assessment completed	Mar-13	R
07 Accreditation model launched	Mar-13	R
08 Personal Development activities arranged and delivered	May-14	G
09 Collaborative Leadership Development Programme scoped and initial design shared with Executive Team	Jun-13	B

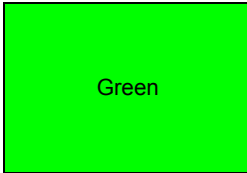
10 Collaborative Leadership Development Programme design completed, target audience agreed and 1st cohort timeframe agreed. Jul-13 G

11 Collaborative Leadership Development Programme launched Sep-13 G

**Objective : 1.1.3**

Ensure learning programme meets requirements through clear target-setting, evaluation and review.

**Delivered by :** Law, HR & Asset Management  
**Target leader :** Holt, Melissa



The review of the Elected Member Programme was initially scheduled for March 2014, however this is been brought forward to January 2014 to allow the evaluation to inform the development of the programme for the new municipal year commencing May 2014.

Milestone	End date	RAGB
01 Programme evaluation to be completed following year one of implementation	Jan-14	<span style="background-color: green; color: white; padding: 2px;">G</span>

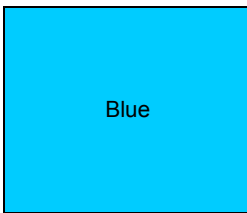
**Target : 1.2**

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

**Objective : 1.2.1**

Define the boundaries for operation of roles and responsibilities and clarify

**Delivered by :** Law, HR & Asset Management  
**Target leader :** Tour, Surjit



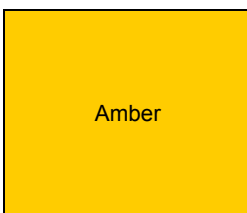
The Officer/member protocol is being updated to provide clarity about members roles and the support they can expect in that role. This has been informed by the views of members shared at a number of events held over the last six months. This is part of the updated constitution being presented to a special meeting of council in April.

Milestone	End date	RAGB
01 Consult with Executive Team and Heads of Service on proposed revisions to constitution.	Dec-12	<span style="background-color: blue; color: white; padding: 2px;">B</span>
02 Consult Members on proposed revisions to constitution	Dec-12	<span style="background-color: blue; color: white; padding: 2px;">B</span>
03 Finalise revised constitution.	Apr-13	<span style="background-color: blue; color: white; padding: 2px;">B</span>
04 Revised draft constitution reported to Improvement Board	Mar-13	<span style="background-color: blue; color: white; padding: 2px;">B</span>
05 Consultation event with Members to review proposed changes to governance / constitution.	Apr-13	<span style="background-color: blue; color: white; padding: 2px;">B</span>
06 Final draft of revised constitution completed and updated to reflect revised Code of Corporate Governance	Apr-13	<span style="background-color: blue; color: white; padding: 2px;">B</span>
07 Revised constitution reported to Cabinet	Apr-13	<span style="background-color: blue; color: white; padding: 2px;">B</span>
08 Revised constitution reported to Council	May-13	<span style="background-color: blue; color: white; padding: 2px;">B</span>

**Objective : 1.2.2**

Establish a framework to support member and officer engagement at all levels of the

**Delivered by :** Chief Executive's Department  
**Target leader :** Burgess, Graham



A review of scrutiny has been undertaken and a report is scheduled for Council on 30th April. Support to members has progressed with the identification of a dedicated support officer and a revamped councillor toolkit. A programme of ward visits with elected members has been implemented by the Chief Executive.

Milestone	End date	RAGB
01 Develop effective scrutiny arrangements	May-13	G
02 Develop Elected Member support arrangements through dedicated staffing	May-13	A
03 Develop a ward member enquiries system	May-13	A

### Target : 1.3

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

#### Objective : 1.3.1

Develop Wirral's vision to reflect the changing role of local government.

Delivered by : Chief Executive's Department

Target leader : Burgess, Graham

Blue	A vision for Wirral has been set out in the Corporate Plan. A series of Member events have been held to inform this. These events have also been used to inform the priorities for a number of transformational projects.
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Milestone	End date	RAGB
01 Undertake Wirral visioning event with Senior Politicians, Senior Officers and other stakeholders	Sep-12	B
02 Undertake second visioning session with Elected Members	Dec-12	B
03 Undertake further session with Members	Feb-13	B
04 Articulate vision in corporate plan	Feb-13	B

#### Objective : 1.3.2

Ensure the organisational structure is fit for purpose.

Delivered by : Chief Executive's Department

Target leader : Burgess, Graham

Green	The senior management restructure has been agreed. Activity continues on remaining levels and is on schedule for completion within original 12 month
-------	--

Milestone	End date	RAGB
01 Initial re-structure - design of high level structure	Sep-12	B
02 Complete recruitment exercise for Strategic Directors	Mar-13	B
03 Undertake further restructuring of management to achieve 30% reduction in management costs	Jun-13	G

#### Objective : 1.3.3

The model for corporate management is supported by enabling strategies.

Delivered by : Department of Policy, Performance & Public Health

Target leader : Johnstone, Fiona

Green	A Corporate timetable of key strategies has been developed. The review of key strategies is on schedule for completion within original 12 month timeline.
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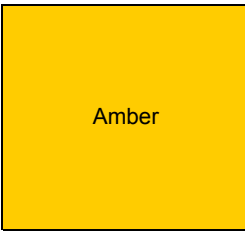
Milestone	End date	RAGB
01 Develop a timetable for the refresh of key strategies in 2013	Apr-13	B
02 Develop a timetable for the Council's annual planning cycle going forward	Jun-13	G



### Objective : 1.3.4

Review Business Systems

**Delivered by :** Finance  
**Target leader :** Timmins, Peter

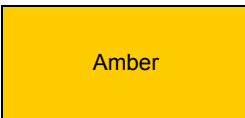


This work was picked up by the Interim Director of Finance and Interim Head of IT. It will deliver an updated IT strategy, review systems relating to HR, Procurement, Creditors & Debtors, Asset Management, managing Capital receipts and will promote key projects such as agile working and is on schedule to be completed within the original 12 month timeline.

### Objective : 1.3.5

Create a Transparent Council

**Delivered by :** Transformation & Resources  
**Target leader :** Blott, Joe



Work has been undertaken to develop a corporate information sharing guidance and protocol. This will be picked up as part of a review of information governance.

Milestone	End date	RAGB
01 Review Transparency activities in other Local Authorities	Oct-12	B
02 Review and analyse complaints and FOI requests	Oct-12	B
03 Set out themes, headings and information to be included in the publication scheme	Nov-12	B
04 Develop web pages to support the publication scheme	Dec-12	B
05 Review existing arrangements and process for information governance	Oct-12	B
07 Develop corporate model of information governance to support consistency across departments	Nov-12	G
08 Review and refresh information sharing code of practice with partners	Dec-12	R
09 Develop corporate information sharing protocol and guidance for departments	Mar-13	R
10 Sign-off information sharing protocol and guidelines	Mar-13	R
11 Develop briefing / training pack on information sharing protocol and guidelines	May-13	A
11 Project Completion	Sep-13	G

## Target : 1.4

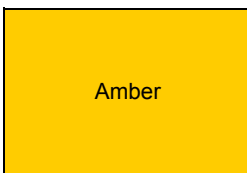
Target 4: Design and implement a cultural change programme

### Objective : 1.4.1







Define a single set of values and behaviours that are expected to be demonstrated by

**Delivered by :** Law, HR & Asset Management

**Target leader :** Hyams, Chris



Over 200 staff were consulted in focus groups exploring organisational values. Additional work was undertaken to develop a pledge and principles for the Council's Corporate Plan 2013-16. This work will be brought together to define a set of values that will be launched in May 2013.

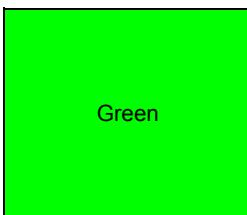
Milestone	End date	RAGB
01 Additional resource secured to commence the development of organisational values	Oct-12	
02 Options for organisational core values presented to the Chief Executive Strategy Group (Away Day)	Apr-13	
03 Options for Organisational Values shared with the Leader	Apr-13	
04 Options for organisational core values shared with Leaders Board	Apr-13	
05 Organisational core values approved by Council	May-13	
06 Individual sessions sharing core values with staff as part of new appraisal process.	Sep-13	

### Objective : 1.4.2



Staff responsibilities and expectations are clearly articulated.

**Delivered by :** Law, HR & Asset Management

**Target leader :** Hyams, Chris



A set of managers expectations has been developed and shared with Managers at the Chief Executives Senior Management briefing in December 2012. Organisational behaviours have been agreed and included in the Corporate Plan 2013-16. These will be used within Performance Appraisal discussions during 2013-14.

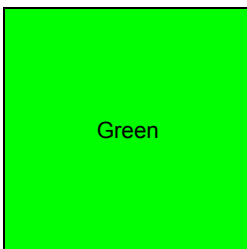
Milestone	End date	RAGB
01 Manager and Employee Expectations and Behaviours developed approved.	Jun-13	
02 Culture Change Workshops and e-learning designed and piloted.	Sep-13	

### Objective : 1.4.3



Organisational Development programme developed to communicate and support staff understandings and expectations.

**Delivered by :** Law, HR & Asset Management

**Target leader :** Hyams, Chris



Values and behaviours will be embedded with the Leadership Development Programmes for members and officers and will underpin performance appraisal discussions during 2013-14. A learning programme will be put in place to support the new values and culture change programme. This will include for example e-learning, workshops and a wide range of communications.

Milestone	End date	RAGB
01 Workshops and communications campaign to introduce and share new Organisational Core Values, Behaviours and Expectations.	Sep-13	
02 Values embedded through Skills for Wirral Programmes, Job Descriptions, Exit Interviews, Performance Appraisal & Development and Key Issues Exchange.	Mar-14	

## Priority : 2

### Priority 2: Corporate governance and decision-making

#### Target : 2.1

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

#### Objective : 2.1.1

Ensure all politicians and senior officers have a working knowledge of the revised Code of Corporate Governance and apply this in decision making, particularly focussing on the areas of risk, audit and whistle-blowing.

**Delivered by :** Law, HR & Asset Management

**Target leader :** Tour, Surjit

<b>Amber</b>	Code of Corporate Governance training is now included in the skills for Wirral Councillors programme. Officer training will be included in the collaborative leadership programme. Some milestones for this have slipped awaiting the outcome of the restructure, but are still on schedule for completion within original 12 month
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Milestone	End date	RAGB
01. New Code of Corporate Governance drafted and approved	Apr-12	<span style="background-color: #00B0F0; color: white;">B</span>
02. Constitution updated to reflect revised Code of Corporate Governance	Apr-13	<span style="background-color: #00B0F0; color: white;">B</span>
03. Content for Code of Corporate Governance briefing sessions / training module to be agreed	May-13	<span style="background-color: #00FF00; color: white;">G</span>
04. Code of Corporate Governance briefing materials and training modules developed	May-13	<span style="background-color: #FF0000; color: white;">R</span>
05. Code of Corporate Governance briefing sessions to senior officers / members launched	May-13	<span style="background-color: #FF0000; color: white;">R</span>
06. Code of Corporate Governance training module integrated into Leadership Programme, Members Training Development Programme, Staff / Member induction programmes	Jul-13	<span style="background-color: #00FF00; color: white;">G</span>
07. Evaluation and review of awareness of the Code of Corporate Governance through annual governance statement, internal audit.	Dec-13	<span style="background-color: #00FF00; color: white;">G</span>

#### Objective : 2.1.2

The supporting policies within the Code of Corporate Governance are owned,

**Delivered by :** Law, HR & Asset Management

**Target leader :** Tour, Surjit

<b>Green</b>	An initial revision of the Code of Corporate Governance was agreed by Council in January 2012. Wirral's supporting policies have been mapped against the CIPFA / SOLACE framework and has resulted in a prioritisation of policies in need of review.
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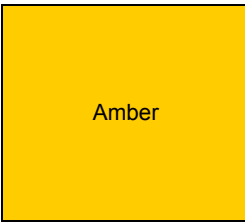
Milestone	End date	RAGB
01 Establish Code of Corporate Governance working group of key officers	Sep-12	<span style="background-color: #00B0F0; color: white;">B</span>
02 Initial specification of Documentum to manage version control of supporting policies under the Code of Corporate Governance	Oct-12	<span style="background-color: #00B0F0; color: white;">B</span>
03 Policies/plans under the Code of Corporate Governance as set out by CIPFA/SOLACE are identified and mapped	Jun-13	<span style="background-color: #00FF00; color: white;">G</span>
04 Ownership and status of policies / plans under the Code of Corporate Governance identified	Jun-13	<span style="background-color: #00FF00; color: white;">G</span>
05 Document ownership and review cycle established for policies supporting the Code of Corporate Governance	Sep-13	<span style="background-color: #00FF00; color: white;">G</span>
06 Documentum users and their training needs identified	Sep-13	<span style="background-color: #00FF00; color: white;">G</span>

### Objective : 2.1.3

Implement the agreed proposals and initiatives set out in Corporate Governance Key Line Of Enquiry 6 Improvement Report (Cabinet, 21/06/2012)

Delivered by : Law, HR & Asset Management

Target leader : Tour, Surjit



Milestones in relation to better agenda management, more streamlined reporting arrangements and better decision-recording have been implemented. The milestones in relation to improved use of the modern.gov system have been reviewed and an updated action plan prepared that will ensure the milestones are achieved by the end of October 2013.

Milestone	End date	RAGB
01 New committee report and briefing note templates developed	Aug-12	
02 Briefing to Member Equipment Strategy Group	Aug-12	
03 Training for Committee Officers in the use of Modgov	Aug-12	
04 New workflow developed for Committee Reports in Modgov	Sep-12	
05 Test committees / pilot phase for modgov	Oct-13	
06 Guidance produced for report authors	Oct-13	
07 Protocol for setting and distributing committee agendas published	Oct-13	
08 Training and roll out to report authors	Oct-13	
09 Pilot exercise with Cabinet	Oct-13	
10 Implementation of new Modgov reporting process	Oct-13	

### Target : 2.2

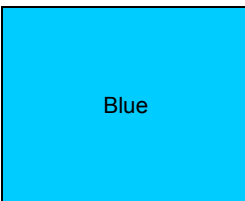
Target 2: Review and update Schemes of Delegation and support systems for decision making and provide appropriate training

### Objective : 2.2.1

Review and update Schemes of Delegation to Cabinet Members and Officers reflecting best practice.

Delivered by : Law, HR & Asset Management

Target leader : Tour, Surjit



The Scheme of Delegation has been updated to provide clarity on the delegations between Council, the Executive and officers. This has been informed by the views of members shared at a number of events held over the last six months. This is part of the updated constitution being presented to a special meeting of council in April.

Milestone	End date	RAGB
01 Consult with Executive Team and Heads of Service on issues with the current Scheme of Delegation	Dec-12	
02 Consult Members on proposed revisions to constitution.	Mar-13	
03 Initial revision of Schemes of Delegation submitted to Exec Team for approval	Jan-13	
04. Draft constitution reported to Improvement Board	Mar-13	
05. Undertake further consultation session on the revised constitution with Elected Members, Group Leaders and relevant officers.	Apr-13	
06. Finalise revised constitution	Apr-13	
07. Revised constitution reported to Cabinet	Apr-13	
08. Revised constitution reported to Council	May-13	

### Objective : 2.2.2

Develop a protocol which ensures greater control over procedures such as agenda management and decision recording.

**Delivered by :** Department Default  
**Target leader :** Tour, Surjit



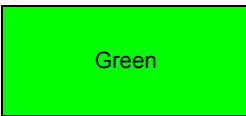
A revised Member decision making process was adopted in November 2012 which sets out the procedure for briefing Members and managing Cabinet agendas. Procedures will be kept under review.

Milestone	End date	RAGB
01 Executive decision making process developed and agreed.	Oct-12	B
02 Decision making protocol / process developed for Council Committees	May-13	B

### Objective : 2.2.3

Training and development programme on the Scheme of Delegation for both officers and elected members.

**Delivered by :** Law, HR & Asset Management  
**Target leader :** Holt, Melissa



The new Scheme of Delegation is scheduled for approval by Council in April. A training programme will be developed in line with the original 12 month timeline.

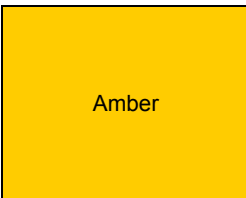
### Target : 2.3

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

### Objective : 2.3.1

Improve contract management by using the evidence base of reports (HESPE etc) identify strengths and weaknesses of existing procedures and protocol.

**Delivered by :** Assistant Chief Executive  
**Target leader :** Armstrong, David



The contract procedure rules and financial regulations have been updated as part of the revisions to the Council's Constitution and are to be finally approved by A&RM committee in June 2013. The HESPE action plan identifies the need for improved contract signing and for contract management to be embedded within the procurement toolkit and work has progressed to conclude this.

Milestone	End date	RAGB
231.51 HESPE R1 - Declaration of interest issue has been reconsidered and an investigation commenced.	Mar-12	B
231.52 HESPE R1 - Independent investigator has been appointed to carry out the investigation.	Apr-12	B
231.53 HESPE R1 - To consider investigator's final report once received.	Dec-12	B
231.54 HESPE R2 - Existing declarations of interest policy and obligations reinforced to officers of the Executive Team.	Aug-12	B
231.55 HESPE R2 - Revise and issue guidance on Declarations of Interests (including the revision of the Declarations of Interests Form).	Oct-12	B
231.56 HESPE R2 - All staff to be reminded of Policy and obligations in relation to making declarations of interests through management briefings/team meetings and the Council's Onebrief communication	Oct-12	B
231.57 HESPE R3 - Annually train Responsible Officers (as defined in the Contract Procedure Rules)	Nov-12	B
231.58 HESPE R3 - Establish an Officer Contract Monitoring Group to share best practice.	Dec-12	B
231.59 HESPE R4 - Review and reorganise the procurement function to have access to category managers and a strategic approach to Procurement.	Jun-13	G
231.60 HESPE R4 - Resolve the relationship of procurement and commissioning	Oct-12	B
231.61 HESPE R5 - Report to Cabinet on the additional cost of using the	Mar-13	B

electrical sub-contractor during the period April 2009 to October 2010.

231.62 HESPE R6 As part of the procurement/commissioning process, establish the challenge process, as an integral feature, to be policed by the procurement section.	Dec-12	B
231.63 HESPE R6 - Analysis of tender submissions to include identification of outlying prices and seek appropriate and specific clarification	Apr-13	B
231.64 HESPE R7 - Review procurement toolkit and update to ensure obligation to update the risk register, seek prior approval and Members are informed is included.	Oct-12	B
231.65 HESPE R7 - Ensure that the risk register is maintained and completed for each major procurement exercise	Apr-13	B
231.66 HESPE R7 - Responsible officer must ensure that all relevant parties including the directors of Law, HR and Asset Management and Finance have been consulted prior to any decision to start the contract and that members are aware of any significant risks when agreeing a start date.	Apr-13	B
231.67 HESPE R8 - Appraisal to be undertaken to evaluate the risks and benefits of the HESPE contract form migrations having regard to Cabinet's decision whether to extend the HESPE contract.	Dec-12	B
231.68 HESPE R9 - If migration of the contract is considered, then the Council will need to consider whether this represents a material change which would result in a breach of procurement requirements before making a decision.	Dec-12	B
231.69 HESPE R10 - Implement on RAG basis reports on departure from contract mobilisation plans and associated risks.	Dec-12	A
231.70 HESPE R11 - CPR's to be reviewed and enhanced particularly regarding value for money.	Jun-13	G
231.71 HESPE R11 - Ensure that tender documentation is clear about the arrangements for reporting to Members.	Oct-12	A
231.72 HESPE R11 - Responsible Officers to be clear in reports to Members on cost, quality and/or quantities on the award of the contract and any variations and new rates which shall include relevant market benchmarking	Apr-13	B
231.73 HESPE R12 - Monitor compliance with the revised CPR for variations - implement on a RAG basis with red flags reported strategically.	Jun-13	G
231.74 HESPE R13 - CPR's to be enhanced regarding the principles of contract management.	Jan-13	B
231.75 HESPE R13 - Procurement toolkit to include clear standards for documentation contract management procedure.	Dec-12	B
231.76 HESPE R14 - As part of the procurement/commissioning process, both in design and award, establish contract monitoring and compliance as an integral feature, to be policed by the Procurement Section.	Dec-12	B
231.77 HESPE R14 - Procurement toolkit to set out obligations and requirements and provide relevant advice and guidance in relation to processes, monitoring, variation risk, performance and compliance.	Mar-13	B
231.78 HESPE R14 - Report variations to contracts as part of the monthly monitors for capital and revenue.	Dec-12	B
231.79 HESPE R14 - Revise the governance of report production to ensure relevant officers contribute to reports as a matter of system design.	Dec-12	B
231.80 HESPE R15 - Corporate performance team and Corporate Procurement Unit (CPU) set out and promulgate data standards.	Dec-12	B
231.81 Train responsible officers in new standards	Sep-13	G
231.82 HESPE R15 - Ensure compliance following training of responsible officers	Mar-14	G
231.83 HESPE R15 - Internal audit to ensure that the systems and controls are appropriate and effective, by revising the 3 year Audit Plan to ensure coverage.	Oct-12	B
231.84 HESPE R16 - Revised risk management framework agreed by Executive Team. Framework to be presented to Members for approval.	Sep-12	B
231.85 HESPE R16 - Capital Programme risk review embedded in Gateway process for scheme monitoring.	Nov-12	B
231.86 HESPE R16 - Ensure that for projects, risk registers exist from procurement to implementation.	Sep-13	G
231.87 HESPE R16 - Corporate Risk Register agreed by Executive Team and reported to quarterly to Audit and Risk Management O& S committee.	Apr-13	A
231.88 HESPE R17 - Risks considered weekly at Executive Team and advised	Apr-13	R

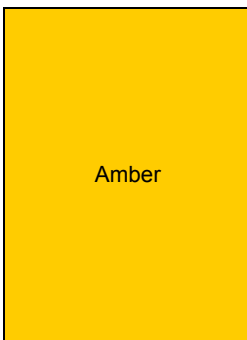
to the administration of the Council.

231.89 HESPE R17 - Institution of monthly financial monitoring reports to Cabinet, which includes risk reporting with portfolio holders and ward members are advised of any issues	Mar-13	B
231.90 HESPE R17 - Revised risk management framework agreed by Executive Team and to be presented to Members for approval.	Nov-12	B
231.91 HESPE R18 - Procurements involving the use of Gateway Reviews - all Gateway Review reports be appended to relevant Cabinet reports for Members consideration. This is included within the Procurement Toolkit.	Apr-13	B
231.92 HESPE R19 - Ensure all pre-award and baseline information is included in the report on awarding the contract.	Sep-13	G
231.93 HESPE R19 - Framework to be established by Corporate Procurement Unit. This is to be included in the Procurement Toolkit.	Sep-12	B
231.94 HESPE R19 - Effectiveness of any procurement exercise should be evaluated by the responsible officer and the Corporate Procurement Unit as part of the Council's standard procurement process.	Oct-12	G
231.95 HESPE R20 - Review of Internal Audit to be undertaken to include issues raised in respect of Internal Audit.	Dec-12	B
231.96 HESPE R20 - Report review and recommendations to the Improvement Board and the Council's Audit and Risk Management Committee.	Jun-13	G
231.97 HESPE R20 - Implement agreed recommendations	Mar-13	A
231.98 HESPE R21 - Council's whistleblowing policy reviewed and approved by Cabinet. On going awareness raising through internal communications is in place.	Apr-12	B
231.99 HESPE R21 - Raise further the awareness of revised whistleblowing policy through management briefings, team meetings and the Council's onebrief communication.	Nov-12	B

### Objective : 2.3.2

Revise procurement procedures and through rigorous review, ensure procedure and protocol are strengthened.

**Delivered by :** Finance  
**Target leader :** Williams, Ray



**HESPE R4, R7, R13, 14, 18** - Revised plans include a programme of training starting April 2013 which will cover revenue, capital and procurement processes for all budget holders. This will be complemented by mandatory training for all new managers as part of the induction process. There will be a programme of engagement with all suppliers and users to enforce the use of the procurement system through purchase order numbers. The key milestones will be completed within the next six months, which will be in line with the original 12 month timeframe.

Milestone	End date	RAGB
01 Produce Procurement Toolkit (HESPE R7, R13, R14, R18)	Dec-12	B
02 Undertake Procurement workshops with key stakeholders	Dec-12	
03 Strengthen Corporate Procurement Board to drive forward procurement strategy across the Council	Jun-13	G
04 Outline the risks and remedies of Procurement to DMTs	Nov-12	B
05 Submit revised Procurement Strategy to Cabinet	Jun-13	G
07 Sourcing Plans in place	Jun-13	G
08 Contract management is embedded within the Procurement Toolkit and Contract Procedure Rules (HESPE R13)	Jun-13	G
09 Implement Procurement check lists	Jan-13	R
10 Improved Contract signing process in place (HESPE R7)	May-13	A
12 Establish a forward plan of upcoming contracts to be let	Oct-12	B
13 Review of Contract procedure rules undertaken (HESPE R13)	Jun-13	G

**Objective : 2.3.3**

Review risk management arrangements.

**Delivered by :** Finance  
**Target leader :** Lane, Mike

Amber

**HESPE R16, R17** - A framework has been developed based on a set of risk categories, which has been agreed with Executive Team. These will be used to populate a new risk register which will be monitored monthly by the Chief Executive's Strategy Group. The corporate risk register will be reported to Members in June.

Milestone	End date	RAGB
01 Discussion session on risk with elected members	Sep-12	B
02 Establish current 'risk appetite' of Leadership	May-13	A
03 Agree the objectives for risk management	May-13	A
04 Implement Concerto system for managing risk information	May-13	G
05 Review decision-making processes and establish information requirements of Members and officers	May-13	A
06 Review and improve the risk management process (HESPE R16)	Jun-13	G
07 Review and improve the framework for governing risk management (HESPE R16, R17)	Jun-13	G
08 Review and improve risk reporting structures (HESPE R17)	Jun-13	G
09 Begin introduction of revised risk management process and reporting structures	Jun-13	G
10 Draft the new corporate risk management policy for consideration by Cabinet	Sep-13	G
11 Draft the new corporate risk management strategy for consideration by Cabinet	Sep-13	G
12 Identify the core competencies for Members and officers	Oct-13	G
13 Develop and deliver risk training	Dec-13	G



## Objective : 2.3.4

Provide an effective system of Internal Audit.

Delivered by : Finance  
Target leader : Timmins, Peter

Green

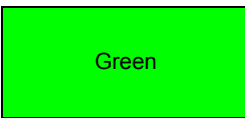
**HESPE R15** - A review of internal audit has been undertaken and an action plan to deliver a range of improvement measures is complete. Progress reports have been submitted to Audit & Risk Management Committee.

Milestone	End date	RAGB
01 Raise organisational profile and standing of Internal Audit Service through regular scheduled attendance at Finance DMT as standing member.	Oct-12	B
02 Introduce electronic monthly Internal Audit Update Summary for members that includes risk ratings and RAG rated updates.	Oct-12	B
03 Implement RAG assessment for opinion and progress on internal audit issues for members and officers.	Nov-12	B
04 Enhance Internal Audit engagement with Chief Officers through more regular programmed meetings and attendance at Departmental DMT's on a scheduled quarterly basis.	Nov-12	B
05 Establish a mechanism for member issues and questions to be raised through Internal Audit regarding completed audits.	Dec-12	B
06 Evaluate shared service options for delivery of the Internal Audit Service.	Mar-13	B
07 Develop and introduce an improved Internal Audit report format	Dec-12	B
08 Develop and implement a new report format and content for Audit & Risk Management Committee	Dec-12	B
09 Introduce more performance data on the delivery of the Internal Audit Service into ARMC Committee reports.	Dec-12	B
10 Develop and implement an enhanced escalation procedure for audit issues that involves the DOF, Chief Officers and Members of the ARMC.	Dec-12	B
11 Develop and implement a comprehensive programme of training for ARMC Members.	Dec-12	A
12 Develop and implement a Terms of Engagement protocol and notification for all audits to be completed.	Dec-12	B
13 Develop and implement a more robust document filing and storage structure for Internal Audit Service	Dec-12	B
14 Report outcome of this objective to Improvement Board and Audit & Risk management Committee (HESPE R20)	Feb-13	B
15 Develop skills and experience of IA workforce through assessment of staff training needs and delivery of appropriate training.	Sep-13	G
16 Review and evaluate Internal Audit staffing structure	Mar-13	B
17 Replace the Internal Audit APACE planning and management system	Sep-13	G
18 Develop a three year Internal Audit plan that includes more detailed review and testing of performance systems across the Council (HESPE R15).	Mar-13	B

### Objective : 2.3.4

The relevant information is available to support-decision making and decisions taken are accurately recorded.

**Delivered by :** Department Default  
**Target leader :** Tour, Surjit



This objective is being addressed through specific activities being delivered to support other targets and objectives within the Improvement Plan including the refresh of scrutiny arrangements (1.2.2) and the revised decision-making process

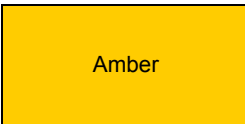
### Target: 2.4

Establish an effective and coordinated approach to shaping and implementing policy

### Objective : 2.4.1

Establish a coherent and joined up approach to policy, planning and strategy

**Delivered by :** Department of Policy, Performance & Public Health  
**Target leader :** Johnstone, Fiona



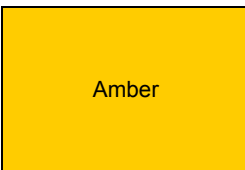
Policy Unit set up, policy network and regular policy briefings established. Staffing structures will be resolved following the integration of Improvement and Scrutiny into the Policy Unit.

Milestone	End date	RAGB
01 Undertake development day for policy officers	Sep-12	B
02 Undertake review of other Council's approach to policy briefings	Sep-12	B
03 Executive Team to approve approach for policy briefings.	Oct-12	B
04 Establish a policy network to provide a coordinated and coherent approach to policy issues	Nov-12	G
05 Launch of regular communication of policy briefings to Executive Team and Elected Members	Nov-12	G
06 Develop a dedicated intranet page for policy	Nov-12	A
07 Establish regular horizon scanning reports	Nov-12	A
08 Restructure Policy Unit	May-13	G

### Objective : 2.4.2

Ensure that there is a robust knowledge and evidence based approach to decision making in order to tackle the key challenges for Wirral.

**Delivered by :** Department of Policy, Performance & Public Health  
**Target leader :** Johnstone, Fiona



An Operating Model has been established which identifies the key elements of strategic analysis. This is being discussed at the next Chief Executive's Strategy Group. Steps have been taken to align performance and business intelligence as a corporate function.

Milestone	End date	RAGB
01 Review of existing business intelligence structures and resources	Feb-13	B
02 Instigate regular statistical updates i.e. child poverty, IMD, demographic - contained within policy briefings	Nov-12	B
03 Develop Corporate approach to Dashboards	May-13	G

### Objective : 2.4.3

Engage with local and sub-regional partners to shape and respond to policy developments and implement decisions.

**Delivered by :** Department of Policy, Performance & Public Health

**Target leader :** Morgan, Jane

Amber

A Local Public Service Board was established in November 2012 and a number of meetings have now been held. A state of the borough report is being developed as the vehicle for determining local priorities.

Milestone	End date	RAGB
01 Establish a Local Public Service Board	Dec-12	B
02 Draft state of the borough report for consultation	Apr-13	A
03 State of the Borough Report completed	Jun-13	A
04 Visioning event to be scheduled with partners to focus on 2030 vision	Jul-13	G

## Priority : 3

### Priority 3: Corporate Plan

#### Target : 3.1

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

#### Objective : 3.1.1

Ensure current Corporate Plan reflects need to deliver critical activities in 2012-13 in relation to the Council's Improvement Plan.

**Delivered by :** Department of Policy, Performance & Public Health

**Target leader :** Barrow, Lucy

**Blue** Completed - Interim Corporate Plan agreed by Cabinet on 10th July 2012.

Milestone	End date	RAGB
01 Updated corporate plan approved by Cabinet	Jul-12	<b>B</b>

#### Objective : 3.1.3

Undertake a comprehensive service review.

**Blue** Completed as part of the What Really Matters consultation and budget options development process.

#### Objective : 3.1.3

Complete a consultation exercise to support the development of a Corporate Plan for

**Delivered by :** Chief Executive's Department

**Target leader :** Degg, Emma

**Green** Those services that were not reviewed through the budget options process will be looked at through the transformational programme.

Milestone	End date	RAGB
01 Questionnaire designed and on-line/print versions produced	Sep-12	<b>B</b>
02 Marketing materials developed and produced	Sep-12	<b>B</b>
03 Accessible versions of Questionnaire developed	Sep-12	<b>B</b>
04 Consultation Launched	Sep-12	<b>B</b>
05 Issue Papers developed and published	Sep-12	<b>B</b>
06 Scrutiny workshops undertaken	Nov-12	<b>B</b>
07 Report to Cabinet on consultation findings	Nov-12	<b>B</b>
08 Consult on savings options	Jan-13	<b>B</b>
09 Publish detailed options	Dec-12	<b>B</b>
10 Further Scrutiny workshops undertaken	Dec-12	<b>B</b>
11 Corporate Plan format and approach to be agreed with the Leadership	Dec-12	<b>B</b>
12. Visioning and prioritisation work undertaken with Cabinet	Jan-13	<b>B</b>
13. Business planning sessions with Executive Team leads	Feb-13	<b>B</b>
14. Consultation with elected members on vision and priorities	Feb-13	<b>B</b>
15. Report corporate plan to Cabinet and Council	May-13	<b>B</b>

### Objective : 3.1.4

Create a customer focussed organisation.

Delivered by : Environment and Regulation

Target leader : Smith, Mark

**Amber**

Customer focussed delivery will be firmly embedded in our overall Transformation Programme. A number of activities to improve customer access/service were initiated under this project and are still proceeding under the management of the Customer Service division. Projects include: A review of Customer Care Standards to ensure they are up to date and embedded across the Council workforce; Development of training and support for customers at risk of digital inclusion and ensure our customer services staff act as digital champions to support the digital by default agenda; Implementation of a contemporary CRM which can display a complete record of individual actions against a customer; Re-engineering back office systems and processes to support customers to access more services through the web. These are largely on schedule for completion within original 12 month timeline.

### Target : 3.2

Target 2: Develop a Corporate Performance Management Framework

#### Objective : 3.2.1

Implement robust business plans that deliver the Corporate Plan.

Delivered by : Department of Policy, Performance & Public Health

Target leader : Kinsella, Tony

**Amber**

A framework to deliver the Council's Corporate Plan has been developed and will be submitted to Council in May. Further work is underway to develop Directorate, Departmental and Service plans. Directorate plans will be signed off by Portfolio Holders at the end of May.

Milestone	End date	
01 Develop and circulate corporate planning timetable to activity leads	Oct-12	A
02 Lead a discussion and agree approach to Corporate Planning	Oct-12	A
03 Directorate plans approved by Leader, Portfolio Holder and Chief Executive	Jun-13	G
04 Service Plans to be developed at Head of Service level	Jun-13	G

#### Objective : 3.2.2

Revise Corporate Performance Management Framework

Delivered by : Department of Policy, Performance & Public Health

Target leader : Kinsella, Tony

**Green**

**HESPE R15** - A revised framework has been agreed. The performance management framework for the Corporate Plan will be submitted to Council for approval in May.

Milestone	End date	RAGB
01 Cabinet resolve the Director of Public Health will take responsibility for Performance Management within the local authority.	Jul-12	B
02 Briefing paper on the proposed PMF submitted to Executive Team	Oct-12	G
03 Identify and consolidate all performance management and business intelligence resources (staff and systems) under one management structure	Dec-12	A
04 Adopt a business partner model for the delivery of performance management and business intelligence support and services	Mar-13	G
05 Consult elected members to establish and refine performance requirements and products	Jun-13	R

## Target : 3.3

Target 3: Objectives aligned to individual performance appraisal and development

### Objective : 3.3.1

Empowerment

Delivered by : Cross Cutting

Target leader : Hyams, Chris

Amber	Activity to review and update the Council's HR policies is continuing in support of the budget options and organisational re-structure. The majority of HR policies have been revised with the remaining policies scheduled for review by September 2013. Once the policies have been updated they will be rationalised and incorporated into an employee toolkit, scheduled for completion by December 2013.
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Milestone	End date	RAGB
01 Undertake desktop analysis to establish best practice and appropriate benchmarking information	Sep-12	B
02 Undertake review of those HR policies, procedures and practices that support a change in culture and enable empowerment of employees and managers to make appropriate decisions	Sep-13	G
03 Draft relevant HR policies	Sep-13	G
04 Prepare and develop Employee Toolkit	Sep-13	G
05 Executive Team approval Employee Toolkit	Sep-13	G
06 Link plan in with the Transforming Business Support Programme to avoid duplication and to influence future service model and process	Oct-13	G
07 Arrange training/workshops for Employee Toolkit roll out	Dec-13	G
08 Launch the Employee Toolkit	Dec-13	G

### Objective : 3.3.2

Design and implement a performance appraisal process.

Delivered by : Law, HR & Asset Management

Target leader : Hyams, Chris

Amber	Appraisals for all Strategic Directors, Chief Officers and Heads of Service are being undertaken, reflecting new responsibilities. The scheme will be rolled out for remaining senior managers and team leaders.
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Milestone	End date	RAGB
01 Performance appraisal and development review completed for CESG	Jun-13	A
02 Performance appraisal and development review completed for all Heads of Service.	Jul-13	A
03 Preparation and training delivered for Senior Managers (anyone reporting to a Head of Service)	Sep-13	A
04 Performance appraisal and development review completed by senior managers.	Sep-13	G

### Objective : 3.3.3

360° feedback mechanism in place.

Delivered by : Law, HR & Asset Management

Target leader : Hyams, Chris

Amber

360° feedback will be reviewed to ensure it is used to add value to the performance appraisal process.

### Priority : 4

#### Priority 4: Budget and Financial Stability

#### Target : 4.1

Target 1: Ensure the service reviews and consultation programme reflect the impact of reducing levels of resources

#### Objective : 4.1.1

A budget developed in a transparent process that reflects customers needs and expectations.

Delivered by : Finance

Target leader : Timmins, Peter

Blue

A budget has been developed in a transparent process. A timetable for the budget process 2013-14 is currently being agreed. This will be integrated into a Corporate timetable to ensure alignment with the Corporate Plan as well as enabling strategies such as the ICT, Asset Management and People Strategy.

Milestone	End date	RAGB
01 Visioning away day - initial prioritisation and savings options	Sep-12	B
02 Review of current budget projections by Finance	Sep-12	B
03 Budget holder discussions on existing budgets	Sep-12	B
04 DMTs to consider results of initial review	Oct-12	B
05 Executive Team to review revised savings list	Oct-12	B
06 Executive Team to consider ZBB proposals	Oct-12	B
07 Report to Cabinet: ZBB process	Nov-12	B
08 Report initial savings options (2013-16) to members	Dec-12	B
09 Report to Cabinet: Tax base	Jan-13	B
10 Report to Cabinet: Collections Fund	Jan-13	B
11 Report to Cabinet: Estimates S25 Statement	Feb-13	B
12 Report to Cabinet: Balances & Risk	Feb-13	B
13 Report to Cabinet: Capital	Feb-13	B
14 Report to Cabinet: Medium Term Financial Strategy	Feb-13	B
15 Report to Cabinet: Prudential Indicators	Feb-13	B
16 Report to Cabinet: Final figures	Feb-13	B
17 Report to Cabinet: Treasury Management	Feb-13	B
18 Report to Council: Revenue Budget	Mar-13	B
19 Report to Council: Capital Budget	Mar-13	B
20 Report to Council: Council Tax Resolution	Mar-13	B

### Objective : 4.1.2

Develop an evidenced based commissioning strategy informed by clearly identified

**Delivered by :** Department of Policy, Performance & Public Health  
**Target leader :** Fish, Clare & Johnstone, Fiona

**Amber** Scoping paper being developed. On schedule for completion within original 12 month timeline.

Milestone	End date	RAGB
01 Review of existing and proposed commissioning approaches within the council	Feb-12	B
02 Review of existing commissioning capacity within the Council	Jun-13	A
03 Build capacity within the Transformation Projects.	Jun-13	A

### Target : 4.2

Target 2: Review governance and scope of Strategic Change Programme.

### Objective : 4.2.1

Integrate governance and scope of the Strategic Change Programme with the

**Delivered by :** Finance  
**Target leader :** Timmins, Peter

**Blue** This has been superseded by the transformation programme.

### Objective : 4.2.2

Specify the efficiency projects within the Strategic Change Programme.

**Delivered by :** Finance  
**Target leader :** Timmins, Peter

**Blue** These are now the budget options agreed as part of the budget process and will be monitored by Strategic Directors and Portfolio holders.

### Objective : 4.2.3

Specify the transformational change projects within the Strategic Change Programme.

**Delivered by :** Finance  
**Target leader :** Timmins, Peter

**Green** A Transformational Programme is currently being developed to include around five key projects. The programme will be finalised now that the Strategic Director for Transformation and Resources is in post.

### Objective : 4.2.4

Identify the mechanism and staffing structures for delivery.

**Delivered by :** Finance  
**Target leader :** Blott, Joe

**Blue** This has been built into the monitoring of the transformation programme.

Milestone	End date	RAGB
03 Executive Team to decide on mechanism and staffing structures to deliver the Transformation Programme	Jun-12	B



**Priority : 5**

**Priority 5: Critical Service Areas: Safeguarding and Developing the**

**Target : 5.1**

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

**Objective : 5.1.1**

Design and deliver an action plan to address individual needs, informed by the

**Delivered by :** DASS  
**Target leader :** Hodkinson, Graham

<b>Green</b>	Additional focus for Improvement with Adult Social Services has been integrated into an action plan. This was developed following the peer review of DASS in May 2012 and submitted to Health & Wellbeing O&S Committee in September 2012. In January 2013 the Towards Excellence in Adult Social Care Board endorsed the Council's progress in safeguarding and wider outcomes for service users. Outcomes of the Adult Protection Strategy meetings remain under close review with an emphasis on ensuring the consistent application of standards, improving data capture and sharing of learning and good practice.
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**Objective : 5.1.2**

Ensure the actions arising from the AKA action plan are implemented with regards to safeguarding.

**Delivered by :** DASS  
**Target leader :** Hodkinson, Graham

<b>Amber</b>	All safeguarding issues resulting from the AKA report have been progressed. A detailed report on progress was submitted to Health & Well being O&S Committee 10 September 2012.
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**Target : 5.2**

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

**Objective : 5.1.1**

Ensure policy and budget review approaches reflect the council's commitment to improving Wirral's economy.

**Delivered by :** Regeneration & Environment  
**Target leader :** Adderley, Kevin

<b>Blue</b>	At its meeting on 19th October 2012, the Improvement Board welcomed a presentation outlining the Council's investment strategy and the approach taken to Economic Development. The Board recognised this as an area of high achievement that would not require the Boards close attention in the future.
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**WIRRAL COUNCIL**

**CABINET**

**13 JUNE 2013**

<b>SUBJECT:</b>	<b><i>BUDGET OPTION - RESIDENTIAL AND SHORT BREAKS</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>DIRECTOR OF ADULT SOCIAL SERVICES</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR CHRISTINE JONES</i></b>
<b>KEY DECISION?</b>	<b><i>YES</i></b>

## **1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is:

This report contains officer recommendations in relation to the Adult Social Care budget options for Residential and Short Break Services.

This report provides further detail and context around the proposal submitted to Cabinet in March which sought approval to close one respite centre for Mental Health (Fernleigh) and one Learning Disabilities residential care home (Sylvandale) and to develop Girtrell Court as the main centre for all short breaks provision.

The report contains recommendations to achieve the budget savings outlined in the initial report to close the two buildings 1) Fernleigh 2) Sylvandale.

In relation to Fernleigh this provision will be appropriately commissioned from the NHS for crisis support and from the independent sector for respite provision. Respite care previously offered at Sylvandale will be relocated to Girtrell Court. Reasons for recommending these closures are presented below.

## **2.0 BACKGROUND AND CONTEXT**

2.1 The policy of offering people Personal Budgets has changed the profile of service provision. It is increasing demand for flexible support packages, which has in turn reduced demand for traditional long term residential care. Council run residential services have not been maintained to market standard and have sometimes been seen as less flexible and innovative than alternative types of provision. People are increasingly choosing to have support in their own homes.

- 2.2 This report is based upon considering all of our residential services together in order to provide a broader service context within which we have the scope to offer increased choice.
- 2.3 Fernleigh is currently a 14 bedded unit providing 10 short breaks and 4 crisis beds, the latter commissioned in partnership with NHS Wirral who fund 50% of the costs of the four crisis beds. The building at Fernleigh would require £900,000 capital investment to bring it up to an acceptable standard. In addition, following a Cabinet decision on 17 March 2011 funding of £500,000 to maintain the service was allocated as a one year policy option until 31 March 2013. There is no ongoing provision within the budget. A recent consultation with residents and staff about the future of Fernleigh has highlighted that they value the service and want it to continue.
- 2.4 Girtrell Court is a 20 place residential home previously registered solely for adults with a physical disability. In 2011 the scope was broadened to include learning disabled people. There are currently 3 people living there long term and the remaining 9 beds are allocated for short breaks. For some time permanent residents have been moving onto alternative community options. This is really positive as the moves offer people more choice and control. It is important to note, however that each new package presents additional cost to the Council whilst the current care home establishment is maintained.
- 2.5 Sylvandale is a 23 place residential home for adults with a learning disability. There are currently 6 people living there on a permanent basis. There are 12 beds allocated for short breaks. In order to best utilise capacity and demand, 50% of Sylvandale has now been mothballed with short breaks provision being redirected to Girtrell Court and staff being redeployed to cover extra capacity. 10 people have already taken the opportunity to move out from the care home to more individual, personalised support. There are ongoing discussions with the remaining service users, their carers and families around future housing options which could represent a further £470,000 pressure should the care home remain open.
- 2.6 The Department is seeking to balance the needs of those known to the services and the cost pressure of continuing to provide all three services. In effect if the services were not reconfigured additional cost is estimated at £1.4m per year.

### **3.0 NEEDS AND MARKET ANALYSIS**

- 3.1 There is evidence, highlighted above in section 2, that Girtrell Court and Sylvandale are no longer meeting the requirements of the people who need long term accommodation. There is also evidence for the ongoing demand for short breaks care for people with disabilities. On the basis of current usage, there is a requirement for at least 13 short breaks beds within the system. Options for the future of these services are outlined in section 4 below.

- 3.2 Fernleigh provides a very traditional model for residential short breaks and crisis care for people with mental health needs. There is no specific budget provision for Fernleigh during 2013/14 the service is out of step with best practice nationally. Analysis of usage of Fernleigh over the period September 2011 to September 2012 indicates that 67% of the available short breaks beds were used and 50% of the crisis beds were used. Agreement has been reached with NHS Wirral for the NHS to commission crisis response services separately, this type of service is fundamentally different to short breaks care. It is highly unusual for Councils to commission crisis response services alongside bookable short breaks care and the closure of Fernleigh will contribute to rectifying this historical anomaly.
- 3.3 A market analysis exercise has also been undertaken with a number of Wirral residential providers to ascertain whether there was the capacity within the current market to provide respite care. There is a variety of provision across the borough, with 5 of the 6 contacted indicated that they would be interested in providing a short breaks service.
- 3.4 In addition all people able to access secondary mental health services are now offered a self directed assessment and personal budget which enables them to purchase their own care through a personal assistant or agency.

#### **4.0 OPTIONS FOR SERVICE DELIVERY**

- 4.1 **Physical and Learning Disability.** The options for long stay and respite services for people with disabilities are as follows:

**Short term** – following the move of the 8 residents from Girtrell Court ‘mothball’ 50% of Sylvandale. This includes reducing agency staff and closing a full wing. Identification of appropriate and suitable housing options for individuals. This is now complete

**Medium Term** – relocate the remaining Sylvandale residents initially to Girtrell Court and close Sylvandale (this has been subject to consultation with service users and carers and staff). This move maintains sufficient capacity at Girtrell Court for short breaks and some longer term placements.

- 4.2 **Mental Health.** The option for respite services for people with mental health needs is to de-commission Fernleigh and commission two distinct services.

**Crisis beds** - Wirral NHS are currently re-commissioning this service. This could result in a saving of £164,000 and complement the budget options identified by DASS. The CCG is currently working together with the Local Authority and Mental Health Trust to review access to crisis care on the Wirral, and which model would best meet the needs of our patients in the long-term, and where crisis beds fit within a community support model for people with mental health difficulties. Currently the CCG has access to four crisis beds at the Fernleigh site. The Home Treatment Team, commissioned from Cheshire and Wirral Partnership Trust, acts as gatekeeper to these beds, and provides the clinical care for patients that are admitted. Should the beds at Fernleigh become unavailable, the CCG is exploring several options to spot purchase beds in the short-term, whilst the review of access to crisis care in the longer term is completed. The same arrangements for referral to these beds, and for the clinical care of patients, would remain.

**Respite Provision** DASS will commission a limited number of respite beds from independent providers. This would bring provision in line with neighbouring authorities. There is a mixture of provision in the sector from voluntary sector organisations to larger residential providers and user led organisations.

Respite facilities provided in neighbouring authorities predominantly aim to support people in their own homes. Large scale planned respite isn't something that is offered in other authorities and the maximum number of respite beds that they have is either 1 or 2 which are provided by residential care homes. There may be the facility for 1 or 2 crisis respite beds but other than these the offer of respite is very limited. Outreach work and support at home are additional options for individuals should a bed based service not be available or appropriate. We would aim to ensure wherever and whenever possible we would support people in their own homes, through the Community Mental Health Teams using outreach and the Home Treatment Team. In some circumstances home based support may not be appropriate and bed based solution may be sought.

Considerable work has been undertaken to develop market capacity in this area. In the past there has been a paucity of provision, the department is confident that the current market is sufficiently developed to offer capacity. In addition people will be offered structured access to personal budgets with support to arrange their own respite.

All 160 people accessing Fernleigh have a current CPA care plan. All have current DASS personalisation assessment documentation completed.

Anybody referred to the Community Mental Health Team (CMHT) will receive a full CPA assessment from their care coordinator, if the need for respite is identified via this assessment then the Care Coordinator will identify any respite resource/or its alternative.

## **5.0 RELEVANT RISKS**

- 5.1 If the recommendations in this report are not agreed, the Council runs the risk of providing services at Sylvandale and Girtrell that people will not use. This will result in additional financial pressure as resources will be locked into empty buildings rather than being reinvested into supporting people in the community.
- 5.2 With regard to Fernleigh the risk is that the Council will miss the opportunity to modernise the service in line with current best practice. This will result in the Council not being able to run the service, not only due to the significant capital investment required to bring the building up to an acceptable standard but also the additional unbudgeted revenue expenditure of £0.5M.
- 5.3 Both of these proposals involve the closure of Council run buildings with the resultant risk to staff employed. Whilst management has been covering vacancies with agency staff there is still a potential impact on the 100 staff directly employed by the Council.

- 5.4 Previously the social care market in Wirral has not been as well developed as in other areas; however there has been considerable work undertaken to develop alternative options for care and support. A recent market testing exercise has illustrated growth in this area and the department will need to continue to support the development through its Market Position Statement and commissioning strategies.
- 5.5 The market available in terms of capacity is a fluctuating one and therefore it is not possible to give a definitive number as this changes on a weekly basis dependant upon capacity across the borough. However we regularly monitor availability in the market and typically the number of beds available at any one time is between 17 and 30. We are confident that the market can adequately provide both bed based and alternative solutions

## **6.0 OTHER OPTIONS CONSIDERED**

- 6.1 Options considered as part of the initial Officer Budget Options were contained in the original report to Cabinet on 18 February. These options were considered as part of that report and Cabinet approved the recommendations as the best way to take services forward:

## **7.0 CONSULTATION**

- 7.1 Consultation on the options described in Section 4 has been subject a twelve week statutory period. Service users, their carers, staff and Trade Unions have been fully consulted. Consultation was cognisant of previous consultations undertaken in relation to the services in question. In addition all 160 people accessing Fernleigh have a current CPA care plan. All have current DASS assessment documentation completed and have been fully engaged in the process as a group, as well as having individual meetings and assessments to ensure needs are being met.
- 7.2 An extensive programme of public consultation was completed in relation to all options which were published in November 2012. This programme included over 100 community events at locations such as libraries, supermarkets, cinemas, community centres and children's centres.
- 7.3 Extensive online promotion of the consultation was also completed, with emails being sent to over 13,000 residents, and the consultation also featured prominently on the Council's website which receives in excess of 1,000 hits per day.
- 7.4 Organisations from the Voluntary, Community and Faith sectors were also actively encouraged to take part in this consultation process. Consultation responses were received from organisations such as Wirral Mencap and the Association for Carers' Executive (ACE), based in Wallasey.
- 7.5 A series of detailed meetings, covering all budget options, was also held with key organisations. These organisations included the Carers' Development Committee, Carers Association and the Enabling Fulfilling Lives Group among others.
- 7.6 A full programme of presentations and workshops were held in Council Day Centres, which were extremely well attended and involved a full discussion of the proposed option, its potential impact and the mitigation which could be implemented.

These meetings are listed below:

Carers Association  
Carers Development Committee  
Highcroft  
Eastham Day Centre  
Heswall Day Centre  
Highcroft  
Moreton Day Centre  
Enabling Fulfilling Lives Group  
Beaconsfield  
Fernleigh  
Sylvandale  
Girtrell Court

- 7.7 The meetings in Fernleigh, Sylvandale and Girtrell Court focussed almost entirely on the option regarding residential and respite care. People attending had been provided with detailed information as to the option well in advance of the meetings and were further provided with a presentation from the Director outlining the issues and rationale behind the option, and were encouraged to ask questions and provide their views.
- 7.8 People using services were also assisted throughout the consultation period to complete the online and paper based questionnaire, in easy read format, with help from other people using services, staff and the videos which were produced.
- 7.9 Feedback from meetings highlighted that the physical environment, particularly at Fernleigh, was poor and required substantial investment. However, the support provided at the centres was highly valued, as were the Council employees working there.
- 7.10 The majority of comments received at the meetings stated that people were not concerned where the service was provided, only that the service was continued to be provided and at the same quality. However, people would prefer that all sites remained open and were invested in.
- 7.11 Staff consultations have been held with all staff in group settings as follows:

21 March – Moreton Centre – 2 sessions (am & pm)  
22 March – Highcroft Centre – 1 session  
25 March – Highcroft Centre – 1 session

In addition, every single member of staff received an individual 1:1 meeting. These occurred between 2 March and 11 April.

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

- 8.1 There is the potential for the VCF sector to be involved in the provision of these services, in particular as the Department will be looking to commission short stay services within the independent sector.



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

9.1 Long stay and respite services for people with disabilities: the closure of Sylvandale will result in a further release of resources that will be reinvested into the Community Care Budget, thus making this proposal cost neutral.

9.2 Respite services for people with mental health needs;

I. Funding of £500,000 to maintain the service at Fernleigh was allocated as a one year policy option until 31 March 2013. If the service remains unchanged this will result in a budget pressure in 2013/14. The closure of Fernleigh will require the commissioning of seven beds in the independent sector at an estimated cost of £160,000; this will need to be accommodated from within the Community Care Budget. However, revenue pressures of £340,000 and capital investment of £900,000 will be avoided.

II. In the longer term, the closure of both Sylvandale and Fernleigh will result in sufficient release of resources in to the Community Care budget to ensure that the provision of short stay places, for people with learning and physical disabilities and mental health need will become cost neutral and contained within the Community Care Budget.

9.3 The re-commissioning of these services will allow the disposal of the Fernleigh and Sylvandale buildings.

9.4 The DASS savings agreed for 2013-16 include a review of internal respite and residential care provision for Learning Disabilities. These savings are £160,000 in 2013-14 and an additional £160,000 in 2014-15.

9.5 The proposed relocation of Sylvandale residents and the closure of the facility; the decommissioning of Fernleigh are essential to deliver the proposed savings.

9.6 Any transitional costs will need to be accommodated within the savings target, or by identifying additional savings in 2013-14.

## **10.0 LEGAL IMPLICATIONS**

10.1 Standard employment rules apply. All individual service users and staff involved have been consulted as a key part of the process

## **11.0 EQUALITIES IMPLICATIONS**

11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?  
Yes - completed.

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 Proposals to reduce the number of buildings in operation will have a positive impact in terms of carbon reduction.

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

13.1 Planning permission is not required

## **14.0 RECOMMENDATIONS**

14.1 Cabinet is recommended to:

1. Complete the planned closure of Sylvandale and complete transfer of all residents to alternative provision
2. Agree the closure of Fernleigh: De-commission Fernleigh in its current form and commissioning of two distinct services.
  - a) Crisis beds to be commissioned by Wirral NHS as outlined above
  - b) DASS will commission beds from the independent sector in relation to respite provision
3. The department will aim to ensure wherever and whenever possible we would support people in their own homes, through the Community Mental Health Teams including the Home Treatment Team
4. People will be offered structured access to personal budgets with support to arrange their own respite.

## **15.0 REASONS FOR RECOMMENDATIONS**

15.1 The proposals within this report are seeking to balance the needs of the service user groups identified, to increase choice and control, to redesign services that are out dated and not fit for purpose and contribute to the challenging financial context confronting this Council.

15.2 As indicated the recommended course of action is seeking to positively balance a range of competing matters recognising the demographic and financial pressures confronting this Council.

**REPORT AUTHOR:** **Chris Beyga**  
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## **APPENDICES**

Appendix 1 Final Staffing structure

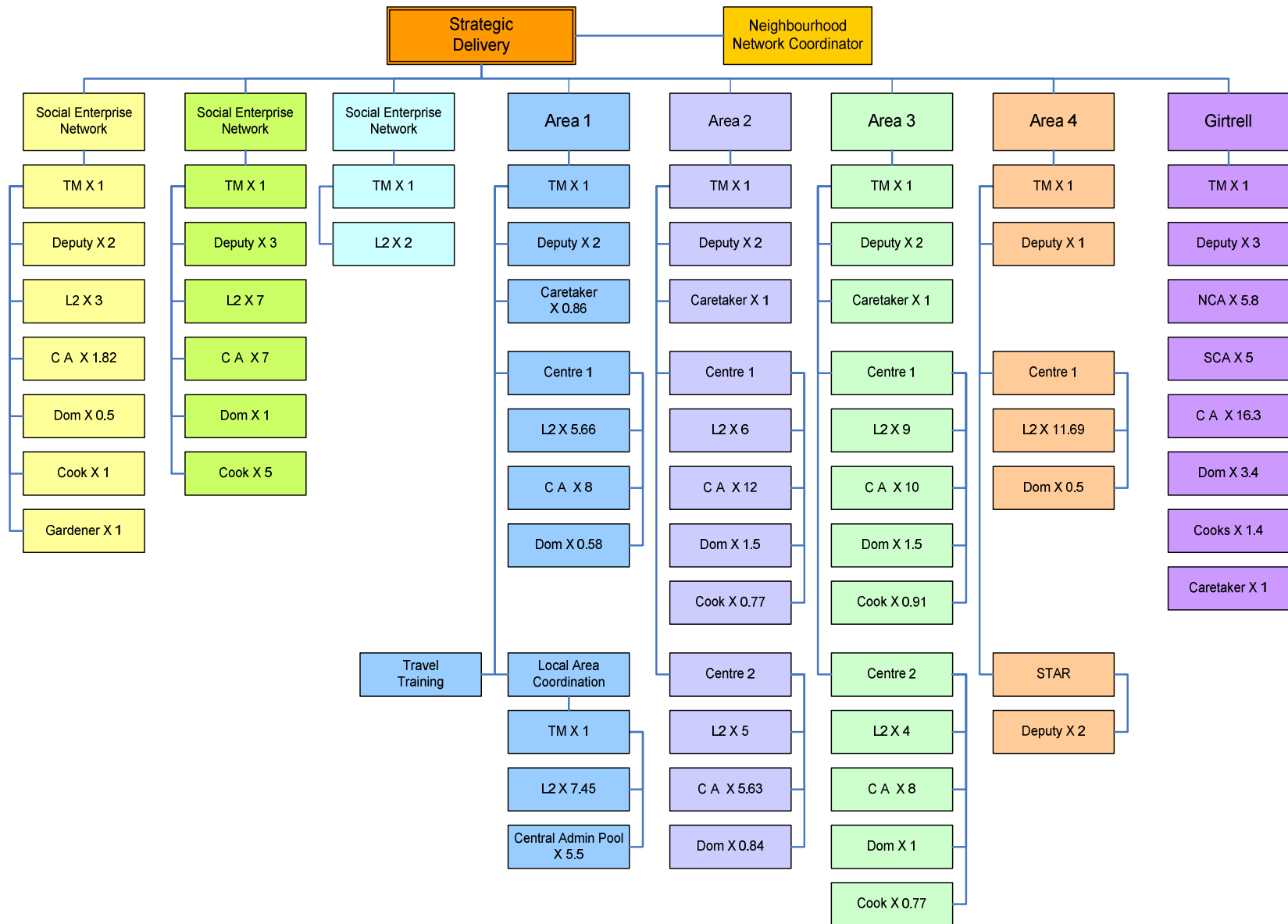
## **REFERENCE MATERIAL**

Wirral JSNA  
"Shaping Tomorrow" - Overarching Commissioning Strategy 2012-15

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet</b>	<b>20 December 2012</b>
<b>Health &amp; Wellbeing Overview &amp; Scrutiny Committee</b>	<b>4 December 2012</b>
<b>Health &amp; Wellbeing Overview &amp; Scrutiny Committee</b>	<b>14 January 2013</b>
<b>Cabinet</b>	<b>18 February 2013</b>
<b>Council (Budget)</b>	<b>5 March 2013</b>

# Final Day Services & Residential/ Short Breaks Structure



## Equality Impact Assessment Toolkit (from May 2012)

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

**EIA lead Officer:** Chris Beyga

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

**Head of Section:** Chris Beyga

**Chief Officer:** Graham Hodgkinson

**Department:** Adult Social Services

**Date:** 23 May 2013

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

MODERNISE SHORT BREAKS FOR PEOPLE WITH DISABILITIES AND MENTAL HEALTH NEEDS

### **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 20 December 2012

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

**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.

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Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
Disability	<p>The proposed changes will seek to offer choice and control to people and to make best use of available resources. The model is predominantly one of Councils purchasing short breaks beds from other providers on an “as needs” basis. .</p> <p>The Council runs the risk of providing services at Sylvandale and Girtrell that people will not use. This will result in additional financial pressure as resources will be locked into empty buildings rather than being reinvested into supporting people in the community.</p>	<p>We are committed to extending the options of all people with Learning Disabilities and Mental Health to encourage greater independence by offering more flexible and responsive alternatives.</p> <p>There is the potential for the VCF sector to be involved in the provision of these services, in particular as the Department will be looking to commission short stay services within the independent sector.</p>	Chris Beyga	June 2013 – September 2013	<p>These proposals involve the closure of Council run buildings with the resultant risk to staff employed.</p> <p>Whilst management has been covering vacancies with agency staff there is still a</p>

	<p>With regard to Fernleigh the risk is that the Council will miss the opportunity to modernise the service in line with current best practice. This will result in the Council not being able to run the service, not only due to the significant capital investment required to bring the building up to an acceptable standard but also the additional unbudgeted revenue expenditure</p>	<p>The proposals within this report are seeking to balance the needs of the service user groups identified, to increase choice and control, to redesign services that are out dated and not fit for purpose and contribute to the challenging financial context confronting this Department</p>			<p>potential impact on the 100 staff directly employed by the Council.</p> <p>Funding of £500,000 to maintain the service at Fernleigh was allocated as a one year policy option until 31 March 2013. If the service remains unchanged this will result in a budget pressure in 2013/14. The closure of Fernleigh will require the commissioning of 7 beds in the independent sector at an estimated cost of £160,000;</p>
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					<p>this will need to be accommodated from within the Community Care Budget. However, revenue pressures of £340,000 and capital investment of £900,000 will be avoided.</p>
<p>Socio economic status</p>	<p>This proposal should not impact on the socio economic status of service users.</p>				

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

Through the Departmental project management process

**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?**

A market analysis exercise has also been undertaken with a number of Wirral residential providers to ascertain whether there was the capacity within the current market to provide respite care. Although only one of the providers had current capacity, 5 of the 6 contacted indicated that they would be interested in providing a short breaks service.

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

Yes /- (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?**

As part of council budget process described above.

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

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

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

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

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## WIRRAL COUNCIL

### CABINET

13<sup>TH</sup> JUNE 2013

<b>SUBJECT:</b>	<b><i>POLICY TO USE PRIVATE RENTED SECTOR TO DISCHARGE HOMELESS DUTY</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>STRATEGIC DIRECTOR REGENERATION AND ENVIRONMENT</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR GEORGE DAVIES</i></b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 Approval is sought for the adoption of a policy to discharge a homelessness duty into the private rented sector.
- 1.2 The Localism Act 2011 includes significant changes to the way in which local authorities can deal with applications for social housing and homelessness applications under Parts 6 and 7 of the Housing Act 1996. Local authorities owe applicants who are homeless, eligible for assistance, in priority need and not intentionally homeless the main housing duty to secure suitable accommodation (unless a referral to another local authority can be made under the local connection provisions).
- 1.3 From 9 November 2012, the Localism Act allows local authorities to fully discharge the full housing duty by a 'private rented sector offer'. This must be an offer of an assured short-hold tenancy in privately rented accommodation with a minimum fixed term period of one year. The property attached to the offer must be in a reasonable physical condition and the landlord must be a fit and proper person.
- 1.4 If Wirral intends to use this power it must develop a clear policy around its use. A draft policy that sets out how the Council intends to discharge a homeless duty into the Private Rented Sector is enclosed as Appendix One.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Improving access to housing is a key priority in Wirral's Housing Strategy 2014-26 and developing a policy for increasing the use of the private rented sector is also identified as an action within Wirral's Homelessness Strategy under Priority 4: Increasing access to the private rented sector. Ensuring that more privately rented properties meet minimum standards by linking into Wirral's property accreditation scheme will also help to address poor standards in the private rented sector and will

contribute towards the Corporate target of 400 interventions to improve private rented properties in 2013/14.

There has recently been a rise in the number of statutory homeless acceptances in Wirral with 165 cases in 2012/13 which is an increase of 65% compared to the previous year. Welfare reform and other austerity measures are likely to further contribute towards this upwards trend. Whilst homeless households are assessed and, if eligible, wait for an allocation of accommodation, the Council has a duty to accommodate them in temporary accommodation. Expenditure on temporary accommodation almost doubled in the last year from £64,000 in 2011-12 to £126,500 in 2012-13 with the increase in homeless applications and statutory homeless acceptances

- 2.2 Local authorities owe applicants who are homeless, eligible for assistance, in priority need and not intentionally homeless the main housing duty to secure suitable accommodation. The Localism Act 2011 means that Local Authorities now have the power to decide whether people who apply as homeless to the Council can no longer refuse the offer of privately rented accommodation in favour of a social rented tenancy. At present the Council discharges its duty to most homeless cases in Wirral through an offer of a social tenancy through Property Pool Plus.
- 2.3 Having the ability to discharge the Council's homelessness duty in the private sector will provide the Council with more accommodation options to offer a household. This should result in homeless households having a shorter stay in emergency temporary accommodation (TA) and, where possible, not having to go into emergency accommodation in the first place which can be costly to the Council and disruptive for the homeless household. The average length of time spent by statutory homeless households in TA in Wirral increased from 7.1 weeks in 2011-12 to 8.4 weeks in 2012-13. Discharging the homeless duty into the private rented sector will also remove any perverse incentive to households who may see becoming homeless as a quick route to social housing.
- 2.4 Under the proposed policy, applicants accepted as homeless may be offered a privately rented property, which must have a fixed term of at least one year. Prior to this legislation, an applicant has been able to decline such offers and insist that they be provided with a social rented home. Applicants will now lose the discretion to decline the offer, although they will retain the right to request an independent review of the suitability of the accommodation under homeless legislation.
- 2.5 If an applicant is housed in this way and subsequently given a notice to leave by their private landlord within two years of the offer being accepted, and where the applicant is eligible for assistance and not intentionally homeless, the Council's duty to secure further suitable accommodation is revived.
- 2.6 The duty revives even if the applicant no longer has a priority need, but it only applies to the first incidence of homelessness within the two year period. Government guidance advises that those who become homeless for a second time during the two-year period are entitled to make a fresh homelessness application to the Council.
- 2.7 Suitability of Accommodation

The Government also introduced a new Homelessness (Suitability of Accommodation) (England) Order 2012 with which the Council will have to comply when making of private rented sector accommodation to homeless households. The current guidance on suitability contained in the Homelessness Code of Guidance will also continue to apply.

The Suitability of Accommodation Order covers:

- Reasonable physical condition
- Electrical regulations
- Fire safety
- Carbon monoxide safety
- Fit and proper person – landlord
- Houses in Multiple Occupation licensing
- Energy performance certificate
- Gas safety record
- Tenancy agreement (12 months)

2.8 Guidance from the Government states that a full inspection by an Environmental Health Officer would not be required. However, property inspections are already being carried out by experienced and technically trained Housing Standards Officers as part of their core functions for addressing sub-standard properties e.g. enforcement, accredited privately rented properties and Houses in Multiple Occupation. Properties secured in order to discharge the homelessness duty will be treated in the same way, but closer working and procedures will need to be established between the Housing Options and Housing Standards Teams.

2.9 Whilst new legislation offers the Council a useful alternative to the use of very limited housing available through Property Pool Plus, discharging the Council's homelessness duty to an applicant by providing a private rented tenancy, can only be achieved if there are suitable private rented properties available where landlords are prepared to offer a minimum tenancy of one year. This means that the Council will not always be able to offer a privately rented home to accepted homeless households as a discharge of the homelessness duty.

2.10 In addition, not all accepted homeless applicants would be suitable for a private rented tenancy, and suitable private sector accommodation may not be available to meet the needs of certain households due to their personal circumstances. Each household will be carefully considered on a case-by-case basis having regard to areas of need and risk including but not limited to:

- Housing need
- Bedroom eligibility under Local Housing Allowance
- Physical Mobility / Health needs
- Mental / Emotional Health needs
- Practical Support / Advice needs
- Cultural/ Faith needs
- Risks to personal and community safety
- Risk to self (e.g. substance misuse/self-harming)
- Five year housing history
- Offending background
- Ability to manage finances/maintain home

- Ability to manage personal health and hygiene
- Relevant issues raised by the applicant
- Areas of preference.
- Financial circumstances and affordability, Location of places of work or education of members of the household schools
- Caring responsibilities
- Need to access medical facilities

2.11 As part of the offer process and in accordance with Council policy, applicants will be advised of their right to request a review on the suitability of the accommodation offered. Applicants will be able to request a review within 21 days of the local authority telling them that they consider an offer to be suitable and that it has discharged its duty under homeless legislation.

2.12 The policy will be reviewed on an annual basis and will come into effect from 1<sup>st</sup> July 2013.

### **3.0 RELEVANT RISKS**

3.1 Applicants are able to appeal the Council's decision if conditions within the Homelessness (Suitability of Accommodation) (England) Order 2012 are not met therefore comprehensive procedures will be developed prior to this policy being adopted to ensure that robust checks on the suitability and quality of the accommodation are carried out.

3.2 There is a risk that there may be a shortage of private landlords willing to grant 12 month tenancies to this client group whom they may view as risky and therefore the ability to discharge into the private rented sector may be limited. In this case statutory households would continue to live in temporary accommodation until suitable social rented accommodation was found. Experience with the bond scheme has shown that this risk can be mitigated through the engagement of a Private Sector Tenancy Support role to support tenants moving into the private rented sector and provide a point of liaison with landlords around any difficulties which may arise with regard to the tenancy.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 The option to continue with the current arrangement was considered, however the risks of increased costs of temporary accommodation and the current difficulties experienced in housing some homeless applicants in social housing means that this option could prevent the Council in complying with its statutory obligations effectively.

### **5.0 CONSULTATION**

5.1 Statutory & community and voluntary sector agencies have been consulted on the Homelessness Review and the Homelessness Strategy and supported the action to improve access to private rented sector accommodation which this policy supports. The action plan contained the action to "develop a policy to discharge the Council's homeless duty into the private rented sector" and the consultation asked if this policy was supported. Internal consultation has also taken place with the Housing Options Team, Housing Strategy Standards and Renewal Team and private landlords were invited to contribute towards the development of the policy via their newsletter.



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

6.1 Voluntary, community and faith organisations work closely with those who are at risk of homelessness or are homeless and have been involved in the homeless review and the development of the Homelessness Strategy for Wirral which identified the need to develop a policy for discharging into the private rented sector.

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

7.1 Expenditure on temporary accommodation almost doubled in the last year from £64,000 in 2011-12 to £126,500 in 2012-13 with the increase in statutory homeless acceptances. The proposal contained within the report could help reduce expenditure on temporary accommodation if suitable properties are available to enable the Council to discharge its homeless duty more quickly, thereby avoiding, or reducing, the number of nights spent in temporary nightly-paid accommodation.

7.2 As a last resort the Council may need to provide incentives to private landlords for them to offer more secure 12 month assured Short-hold Tenancies such as rent in advance or the bond scheme. Funding could be made available from the Homeless Prevention Grant; however this would be considered when the policy is reviewed in 12 months time.

7.3 The Housing Options Team currently has one private sector tenancy support officer who supports households where the duty is discharged into the private rented sector or where homelessness is prevented in the private rented sector. This officer carries a case load of up to 20 clients at any one time. It will be necessary to assess demand on this service as a result of this policy change in order to inform future resource requirements.

## **8.0 LEGAL IMPLICATIONS**

8.1 The Localism Act 2011 gives Councils new powers to discharge a homeless duty into the private rented sector.

## **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.

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

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 Improvements to the quality of the private rented sector will contribute towards carbon reduction targets, particularly where heating and insulation improvements are implemented as a result of a property inspection.

**11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are no planning or community safety implications

**12.0 RECOMMENDATION/S**

12.1 That Cabinet be requested to recommend that the Council adopt a Policy to Discharge a Homeless Duty into the Private Rented Sector.

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

13.1 By adopting a policy on discharging the homelessness duty into the private rented sector the Council will be providing an opportunity to work more closely with private landlords to secure more suitable accommodation for statutory homeless households. The desired outcomes are that homeless households would be housed more quickly and supported to sustain their tenancies and that the use of expensive temporary accommodation would be reduced.

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**APPENDICES**

*Appendix 1: Draft Policy for Discharging Wirral’s Statutory Homelessness Duty into the private rented sector.*

**REFERENCE MATERIAL**

*Draft Homelessness Strategy 2013-18*

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date

**Housing Division**

**Draft Policy for Discharging Statutory Homelessness duty  
into the private rented sector**

**Consultation Document May 2013**

## 1. Background

The introduction of the Localism Act 2011 has made significant changes to the way in which local authorities can deal with applications for social housing and homelessness applications under Parts 6 and 7 of the Housing Act 1996.

Under the previous legislation, local authorities were able to discharge their main homelessness duty to applicants who were homeless, eligible for assistance, in priority need and not intentionally homeless by

- Securing suitable social housing accommodation under part 6 (unless a referral to another local authority can be made under the local connection provisions).
- Offering privately rented accommodation only with the applicant's explicit agreement.

The Localism Act 2011 has amended the Housing Act 1996 and now allows local authorities to fully discharge the full housing duty by a 'private rented sector offer' (s193(7AA)-(7AC) Housing Act 1996 as amended by s.148(5)-(7) Localism Act 2011). This must be an offer of an **assured shorthold tenancy** with a minimum fixed term of one year.

These changes apply only to new applicants approaching local authorities as homeless or threatened with homelessness after the commencement date of the 9<sup>th</sup> November 2012.

A person provided with accommodation in the private rented sector as a final discharge of a homelessness duty will no longer have a 'reasonable preference' for an allocation of permanent housing by reason of homelessness.

Existing guidance on suitability contained in the Homelessness Code of Guidance 2002 continues to apply but The Government has introduced new guidance for local authorities covering Homelessness and Suitability of Accommodation for private rented sector offers. Officers are required to have regard to this guidance when seeking to discharge the full homelessness duty into the private rented sector.

The Homelessness (Suitability of Accommodation) (England) Order 2012 deals with suitability of location of private rented sector offers and sets out circumstances in which accommodation offered under section 193(7F) is not to be regarded as suitable for a person for the purposes of a private rented sector offer. The Order requires that a property must fulfil certain criteria, this is attached as Appendix A to this policy however these are grouped into three broad categories of :-

- Suitability and property location and subjective circumstances of the applicants of the property

- Suitability and ensuring the property is affordable for the individuals.
- Suitability and property standards and Management

## **2. Policy Statement**

Wirral Council sets out its vision for responding to Homelessness in the Borough in the authorities Homelessness Strategy and Action Plan 2013-2018. The Strategy contains the vision that 'no one needs to be homeless and partners will work together to make this a reality'. This will be achieved through four strategic priorities themes:-

- Preventing homelessness through early intervention and better partnership working;
- Improving partnership working to ensure housing and support needs of more challenging clients are met,
- Evaluating and realigning homelessness and prevention services;
- Increasing access to the Private Rented Sector

The ability to discharge the Council's Homelessness duty into the private rented sector will help fulfil the above objectives in particular with increasing access to the private rented sector as a sustainable and affordable solution for those who are homeless or threatened with homelessness.

## **3 Policy overview**

This document relates to the policy and procedural arrangements for discharging statutory homeless duties. The document will be referred to as "the policy".

The policy provides a framework which works alongside the local authority's published Allocation Policy and Tenancy Strategy. Any amendments to the authorities allocation or tenancy policies will be reviewed alongside this policy.

The policy will comply with:

- The Housing Act 1996, as amended by the Homelessness Act 2002
- The Localism Act 2011
- Equality Act 2010
- Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012
- Suitability of Accommodation Order 2012
- Homelessness Code of Guidance 2006

## **4 Policy aims and objectives**

The policy will ensure a comprehensive and consistent needs assessment is carried out for each statutory homeless household. This approach will ensure applicants' needs are appropriately met.

This policy and the needs assessment procedure will ensure there is no discrimination on the grounds of age, disability, gender reassignment,

marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

Each case will be assessed on an individual basis, to avoid blanket policies.

## **5 Assessment Procedure**

A private sector tenancy will be considered for all statutory accepted households, and a thorough assessment process will be undertaken to ensure that the accommodation is suitable. The assessment process will be in two parts.

### **5.1 Part 1 – Individual Applicant’s Circumstances**

Where a household approaches the Council claiming to be homeless or at risk of homelessness they will receive a housing options interview. Enquiries will be made into the following areas of the household’s needs, and may include but not be limited to:

- Housing need
- Bedroom eligibility under Local Housing Allowance
- Physical Mobility / Health needs
- Mental / Emotional Health needs
- Practical Support / Advice needs
- Cultural/ Faith needs
- Risks to personal and community safety
- Risk to self (e.g. substance misuse/self-harming)
- Five year housing history
- Offending background
- Ability to manage finances/maintain home
- Ability to manage personal health and hygiene
- Relevant issues raised by the applicant
- Areas of preference.
- Financial circumstances and affordability, Location of places of work or education of members of the household schools
- Caring responsibilities
- Need to access medical facilities

They will be given appropriate advice on how to prevent their potential homelessness their housing options and housing prospects.

Where the Council have reason to believe that the applicant is or may be homeless or threatened with homelessness within 28 days, the applicant will be given the choice of pursuing a homelessness application after it has been explained that if a full duty is accepted, that duty is likely to be ended in a PRSO. Some applicants at this point will chose not to pursue their homelessness application but this will be a clear choice of the applicant.

### **5.2 Part 2 Assessed as suitable for discharge into private sector**

Each private rented sector offer will be assessed against the Homelessness (Suitability of Accommodation) (England) Order 2012 Parts 2 and 3 and the needs of the individual household.

A suitable offer will only be made where the Council has fully considered:-

- All the statutory requirements in Part 2 of the Suitability Order 2012 which cover the suitability of the **location** of accommodation and Part 3 which sets out the circumstances in which accommodation is **not** to be regarded as suitable for a person. Appendix A details the approach the Council will take to ensure that the accommodation is suitable. This considers the suitability of the property with respect to property standards and management, affordability for the applicant and its location and other subjective matters such as fear of harassment. In brief the Council will establish:
  - That the property is suitable in relation to existing suitability requirements that relate to space and arrangement.
  - Any other subjective matters or issues which relate to the circumstances of any household member obtained by the Council in their investigation of the application.
  - That the accommodation is affordable for the applicant's household having fully considered rental costs and any other expenditure relating to the property and taking into account their other reasonable expenses specifically those needed for food and clothing, heating, plus any other expenditure that is essential to meet the ordinary necessities of life.
  - All existing legislation, statutory guidance and case-law relating to making suitable offers of accommodation.

If this proves not to be the case, a social sector tenancy will then be considered for this household in line with the Suitability Order.

## **6 Selecting Households for Properties**

Whilst a household is being considered for a private rented sector offer, they will be placed on the Choice Based Lettings register in Priority Band A and will be able to bid for suitable social rented properties. At the point when they are made a suitable offer in the private rented sector, their Band A status on Property Pool Plus will be withdrawn. An offer of private rented accommodation can be made at any time until the applicant has been given a final offer of social rented accommodation.

If a suitable private rented offer is not available for a particular household, they will continue to be in Band A on Property Pool Plus until the duty is discharged through a Part 6 offer of a social rented property according to the allocations policy.

In general, where possible, a household will be prioritised for an offer of suitable accommodation in the private rented sector where this will

- Reduce the length of time a household needs to spend in temporary accommodation
- Prevent a household from going into temporary accommodation
- Meet an applicant's subjective requirement to live in a particular area, particularly when social rented housing is in short supply or high demand in that area
- Remove financial pressure on a household because of the costs of their current accommodation

The above criteria may change subject to operational or financial circumstances and a copy for the current criteria used will be available for any applicant or member of the public who requests a copy.

Where the Council chooses to discharge its duty into the PRS it will usually do so within the Wirral area but may in exceptional circumstances seek to discharge the duty outside the Wirral area, in which case the Council will inform the relevant LA area of its action.

## **7 Offers of accommodation**

Statutory homeless households are entitled to one reasonable offer of accommodation. The private sector offer must be an assured shorthold tenancy, with a minimum fixed term of one year.

The local authority will consider its homeless duty discharged once a suitable offer (known as a "final" offer) is made, whether the offer is accepted or refused

An offer will not be made by the landlord/letting agent for a property unless they have agreed to accept the applicant as a tenant. If the landlord does not accept the applicant put forward by the local authority then the homelessness duty will not be discharged and other suitable accommodation will be sought.

Once the offer has been formally made, the applicant's homeless application will be closed. Should the applicant wish to remain on the housing register, their application will be dealt with in line with the local authority's allocations policy.

## **8 Refusal or failure to respond to an offer of suitable accommodation**

If a statutory homeless applicant refuses or fails to respond to a suitable offer of accommodation in the private or social sector, the local authority *can* end its statutory duty to provide accommodation. The local authority will explain the applicant's right to a review of the suitability of the offer of accommodation.



The local authority will also explain to the applicant that they may lose their right to temporary accommodation pending the review. For further information, please refer to sections 9 and 10 below.

An applicant, whose statutory homeless duty has ended as a result of their refusal or failure to respond, will have their housing register application dealt with in line with the local authority's allocations policy.

## **9 New approaches from applicants previously housed into the private sector**

If an applicant becomes unintentionally homeless from their private rented tenancy within two years the statutory homeless duty owed to them by the local authority who made the private rented sector offer will automatically revive. This is called the re-application duty. However, this duty will only revive once; there will be no duty owed by a local authority in continuation of the original duty if the applicant again becomes homeless. If an applicant becomes homeless for a second time within two years of accepting a private rented sector offer, they must make a fresh homelessness application.

In cases where the duty revives and the applicant applies to a different local authority, the applicant can be referred back to the original local authority, unless there is an identified risk of harm to the household.

The revived duty may again be discharged through a further offer of private rented accommodation, in accordance with this policy.

## **10 Reviews on the suitability of accommodation offered**

As part of the offer process and in accordance with the Council's policies and procedures, applicants will be advised of their right to request a review of the suitability of the accommodation offered. Applicants will also be advised of advice services, for example Citizens Advice Bureau or Shelter.

### **10.1 Review process**

Applicants can request a review within 21 days of the local authority telling them that they consider an offer to be suitable and that it has discharged its duty under homeless legislation. This request can be made by a representative on behalf of an applicant.

Review requests can be made in writing or verbally. The local authority will advise the applicant of the full procedure and process for completing a review of the suitability of the accommodation offered.

The local authority will consider review requests received after 21 days, but is not obliged to agree to carry out the review.

Once a review request has been received, the local authority will write to the applicant to acknowledge the request and provide details of the review procedure.

The local authority will complete the review within 56 days of receiving the applicant's original review request (unless a longer period is agreed).

The review will be carried out by a senior officer of the local authority. This officer must not have been involved in the original decision.

## **10.2 Review outcome**

The review outcome can be:

Unsuccessful – in this situation the local authority's original decision will stand

Successful – in this situation the local authority will amend their original decision.

Once the review has been completed, the local authority will write to the applicant or their representative informing them of the review decision. The letter will be sent to the applicant or will be available for collection from the local authority offices.

The outcome letter will explain the following:

- the review decision
- how the local authority reached this decision; and
- the right to appeal the review decision to the County Court if the applicant believes the decision is legally incorrect. An appeal must be made within 21 days of being notified of the review decision. (For further information on the appeals process, please see below).

## **10.3 Accommodation options during and after a review decision**

During the review process, the Local Authority is not legally obliged to provide the applicant with temporary accommodation. Applicants will be advised to accept the final offer of accommodation whilst the review is being considered where the landlord has confirmed they are happy to release the applicant from the tenancy if the review request is successful.

This is because the applicant will have somewhere to stay during the review process there is no guarantee of a further offer of accommodation following the outcome of the review.

During the review process if the offer has not been accepted, it may, at the landlord's discretion, be held open whilst the review is considered.

If the review is unsuccessful and the property is still available, the applicant may be offered the property again. If the review is successful, the applicant will be entitled to another final offer.

## **11 County Court Appeals**

An applicant can appeal to the County Court on any point of law for one of the following reasons:

- if they feel the review decision is legally incorrect; **or**
- if the local authority has not met the time limit to complete the review process

All appeals must be made to the County Court within 21 days of the review decision.

Applicants considering an appeal to the County Court are advised to obtain independent legal advice e.g. citizens advice bureau or shelter.

The local authority is not legally obliged to provide the applicant with accommodation during an appeal process.

## **12 Complaints to the Local Government Ombudsman**

If an applicant is not satisfied with a review decision, they can complain to the Local Government Ombudsman.

The Ombudsman will not consider certain matters, for example, if 12 months has passed since the cause for complaint occurred or when matters are, or could be, subject to court proceedings.

The Ombudsman will consider a complaint if an applicant believes they have been treated unfairly as a result of maladministration. Examples include:

- Delayed taking action without good reason
- Taken into account irrelevant considerations or ignored relevant considerations
- Not followed rules (legal or local procedures)
- Given the wrong decision
- Not reached a decision in the correct way

Contact details for the Local Government Ombudsman are:

The Local Government Ombudsman

PO Box 4771

Coventry

CV4 0EH

Telephone: 0300 061 0614

Website: [www.lgo.uk](http://www.lgo.uk)

## **13 Reviewing the Policy and Eligibility**

This Policy will be reviewed in line with any significant change in legislation, guidance issued by the DCLG or significant case law. Separate to this it should be reviewed every two years.

## **Appendix A**

### **Suitability and location / subjective circumstances of the applicant**

The Homelessness (Suitability of Accommodation)(England) Order 2012 Part 2 requires the Council to take into account the location of the accommodation including:

- (a) where the accommodation is situated outside the district of the local housing authority, the distance of the accommodation from the district of the authority
- (b) the significance of any disruption which would be caused by the location of the accommodation to the employment, caring responsibilities or education of the person or members of the person's household
- (c) the proximity and accessibility of the accommodation to medical facilities and other support which
  - Are currently used by or provided to the person or members of the person's household; and
  - Are essential to the wellbeing of the person or members of the persons household and
- (d) The proximity and accessibility of the accommodation to local services, amenities and transport.

Each case will be assessed against the location regulations using a standard checklist.

In addition any other subjective matters which on the facts and circumstances relating to the applicant or a member of their household may affect the suitability of the property offered will also be considered at the point the property is matched to the applicant: these could include for example:

- Safety issues relating to possible harassment or domestic abuse that relate to the location of the accommodation offered
- Any medical issues that do not relate to the proximity and accessibility of medical facilities including issues of support
- The size of the accommodation offered in respect of bedroom eligibility under Local Housing Allowance rules.
- Any physical, mental health, or addiction issues and the impact of the accommodation on these issues
- Any claim that the property is too far from a Church or Mosque

- Any claim that there is no access to a garden which is essential
- Any claim that the property location will impact on childcare which is essential for the applicant to continue in education or training.

### **Suitability – Property Standards & Management**

The Homelessness (Suitability of Accommodation)(England) Order 2012 – part 3 sets out a list of requirements relating to the property and its management that must be met in order for the property to be suitable.

The Council must be of the view that the accommodation is in reasonable physical condition and is suitable in terms of:

- Certain electrical regulations
- Fire Safety
- Gas Safety Record & CO alarm
- HMO Licensing
- The property has a valid Energy Performance Certificate (EPC)
- That a written 12 month assured shorthold tenancy agreement will be provided
- And that the landlord is a 'fit and proper' person to act in the capacity of landlord.

To ensure suitability against minimum statutory standards a property must be accredited under the Council's property accreditation scheme and will be inspected by a Council Officer to ensure that it is free from Category 1 hazards under Section 4 of the Housing Act 2004 Housing Health & Safety Rating System.

### **Suitability and affordability**

For the property to be suitable it must be affordable under Homelessness (Suitability of Accommodation) Order 1996 (SI 1996 No3204).

The following will be considered to assess whether the property is affordable:

Where an applicant is on benefits and qualifies for local housing allowance (LHA), the rent required will be considered against the amount of benefit the applicant will receive under the LHA scheme. Where there is a shortfall and the rent cannot be reduced through negotiation, the authority will consider the applicant's residual income after meeting the costs of accommodation including the shortfall and all other expenditure required for that applicant to provide the ordinary necessities of life. If following this assessment the applicant is not left with a residual income that is less than the level of income support or income based job seekers allowance, then the property will be deemed to be suitable.

Where an applicant is working and not in receipt of LHA or partial LHA the authority will consider whether the applicant's residual income after meeting

the costs of accommodation and all other expenditure required for that applicant to provide the ordinary necessities of life. . If following this assessment the applicant is not left with a residual income that is less than the level of income support or income based job seekers allowance that would be applicable if they were entitled to claim such benefit, then the property will be deemed to be suitable.

The authority will also consider whether the property will be affordable in the next 12 months if it is known that circumstances are likely to change for example due to welfare reform.

The ordinary necessities of life will always be the amount of income required for heating, eating and clothing and may also include childcare costs, travel costs and any other expenditure deemed to be essential.

Before deeming the property to be suitable the authority will consider paragraph 17.40 of the Homelessness code of guidance.

## WIRRAL COUNCIL

### CABINET

13<sup>TH</sup> JUNE 2013

<b>SUBJECT:</b>	<b>TENANCY STRATEGY STATEMENT</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR OF REGENERATION &amp; ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR GEORGE DAVIES</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to seek Members' approval and endorsement of Wirral's Tenancy Strategy Statement following public consultation with stakeholders and Registered Providers of social housing. The development of a tenancy strategy by local authorities is a statutory requirement of the Localism Act 2011.

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 The Government expects a tenancy strategy to set out the local authority's vision for the way in which social housing is let within their area. In particular, it must address the way in which the authority expects the new type of tenancy introduced by the act (the fixed-term tenancy) to be used by all providers in the local authority area. Fixed term tenancies can only be provided to new tenants and the Government recommends they last for a minimum of five years but can be shorter if necessary.

2.2 The Strategy must contain the matters to which Registered Providers of social housing (RPs) must "have regard" in formulating policies relating to:

- a) the kind of tenancies they will grant;
- b) the circumstances in which they will grant a tenancy of a particular kind;
- c) where they grant tenancies for a certain term, the lengths of the terms; and
- d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

2.3 A Tenancy Strategy therefore assists the Council in protecting certain groups of people in the use of Fixed Term Tenancies as well as being aligned to key actions within the Council's Strategic Housing Plan.

#### TENANCY STRATEGY CONSULTATION

2.4 At Cabinet on 13<sup>th</sup> December 2012, Members approved the draft Tenancy Strategy Statement prior to wider consultation with RPs and the general public. This wider consultation occurred in January and February 2013 and in addition to being posted on the Council's website was publicised directly to all RPs with social housing stock in the Borough and to prospective tenants who had registered their e-mail address with Property Pool Plus.

2.5 All responses from RPs were in favour of the Strategy content. The majority of responses from the public were also positive, with just two consultees against the use of fixed term tenancies altogether. A summary of the questionnaire responses is set out as Appendix A to this report. However, set out below is a table of the key issues raised through the consultation and the action proposed by officers.

Consultation Question	Key issues raised	Response
1. Are there any additional factors which need to be considered in deciding the type of tenancy offered for a property?	In addition to those tenancies listed, Assured Shorthold Tenancies (ASTs) are one of the main types of tenancies issued by RPs.	ASTs have been added to the list.
2. Do you agree with the groups of people the Strategy suggests should be offered lifetime tenancies? If not, please suggest which groups should be removed or added to the list and the reasons why.	<p>a) For shared supported accommodation in some circumstances it may not be appropriate to offer assured tenancies.</p> <p>b) People aged 55 and over shouldn't automatically be excluded from fixed term tenancies as they may have dependents.</p> <p>c) Strategy must take account of dependents who need lifelong care/support or a lifelong adaptation requirement.</p> <p>d) Why are Schedule 1 offenders automatically given lifetime tenancies?</p>	<p>a) Strategy amended to acknowledge use of license agreements for specialist accommodation in some circumstances and that tenancies should be used where appropriate.</p> <p>b) Strategy amended so that people aged 55 and over must have dependents living with them if they're to be excluded from fixed term tenancies.</p> <p>c) Dependents are now acknowledged in the Strategy when assessing exclusions from fixed term tenancies in certain circumstances.</p> <p>d) The local authority has a duty to manage risk from certain offenders in the community. Tenure stability assists with this, the likelihood of reoffending and in reducing support costs required to manage this process.</p>
3. Do you agree that fixed term tenancies should be issued for a 5 year period except in exceptional circumstances? Please provide reasons if you disagree with this approach.	No alternatives were suggested.	None needed.
4. Do you agree with the	a) Unfair to end a tenancy if	a) Strategy amended so that



<p>circumstances suggested where a fixed term tenancy will not usually be renewed? If not, please tell us why.</p>	<p>household has paid for major adaptations themselves.</p> <p>b) Household financial circumstances can change quickly due to current economic climate therefore shouldn't use this as a basis to end tenancy. How will financial suitability to move on be assessed fairly?</p>	<p>tenancy should only be ended if RP or local authority has funded major adaptations which are no longer needed.</p> <p>b) Amended Strategy has deleted circumstance where "household's financial circumstances enable them to access market housing". Will also assist RPs trying to encourage unemployed tenants in to employment so shouldn't be act as a disincentive.</p>
<p>5. Is the time period of six months prior to the end of a tenancy long enough to provide support, advice and assistance in accessing alternative accommodation? If not, please suggest an alternative time period.</p>	<p>Longer time periods of nine and 12 months were suggested by some consultees due to the amount of time it takes to save for deposits, new furniture, appliances and removal costs.</p>	<p>Six months should be viewed as a minimum and tenants may need greater time periods depending on their individual needs. Individual RPs will also be able to set longer time periods if they feel this is necessary.</p>
<p>6. Do you agree with the circumstances suggested where fixed term tenancies will usually be renewed and the other factors informing the decision on renewal? If not, please tell us why.</p>	<p>The Strategy should acknowledge that non-dependent children who are above school age may be living in the property and the tenancy should be renewed, not just households with school-age children and that alternative accommodation for consideration should be in the immediate area.</p>	<p>The Strategy has been amended as suggested.</p>
<p>7. Please provide any comments you may have on the Council's monitoring and enforcement of the Tenancy Strategy.</p>	<p>Provide Council contact details in the Strategy should tenants find their landlord is not "having regard" to the Tenancy Strategy.</p>	<p>Although the Council can liaise with RPs on this issue, it has no power to enforce the Strategy. The Strategy has however been amended to make clear the general complaints procedure for RP tenants.</p>
<p>8. Please provide any additional general comments you may have on the Council's Tenancy Strategy.</p>	<p>None directly related to the Strategy content; a couple of consultees disagreed with the use of fixed term tenancies altogether.</p>	<p>Fixed term tenancies will be appropriate in certain circumstances and may prove useful in assisting the availability of social housing, as explained in section 3 of the Strategy.</p>

2.6 The revised Tenancy Strategy Statement with the amendments outlined above is within Appendix B.

### **3.0 RELEVANT RISKS**

3.2 The Tenancy Strategy needs to be clear about the issues which RPs should have regard to when setting their Tenancy Policies. This will lead to more balanced and sustainable communities and protect households that the local authority views as being vulnerable and more suited to lifetime tenancies.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 The development of a Tenancy Strategy is a statutory requirement of the Localism Act 2011 and so no other options have been considered.

### **5.0 CONSULTATION**

5.1 To assist with the development of an initial draft document, the Council consulted and engaged with all RPs with social housing stock in the Borough to gain views on their current or future use of fixed term tenancies. 11 RPs responded and these responses helped shape the draft Tenancy Strategy Statement.

5.2 Following Cabinet Members' approval on the draft Tenancy Strategy Statement, the document underwent further consultation with RPs and also with the wider public including targeted publicity to potential RP tenants. The action taken in response to the issues raised from this consultation is set out in Section 2 of this report.

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

6.1 None.

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

7.1 The Strategy has been prepared using existing Council staffing resources and will be made available for comment through the Council website. There are no financial or asset implications.

### **8.0 LEGAL IMPLICATIONS**

8.1 The development of a Tenancy Strategy is a statutory requirement of the Localism Act 2011.

8.2 There is no guidance from Government stating if and how authorities should monitor whether RPs are "having regard" to the local authority's Tenancy Strategy and the Council has no powers to enforce the Strategy. The Council will, however, have an overview of RPs' intentions on the use of fixed term tenancies. As RPs are regulated and inspected by the HCA in relation to their Tenancy Standards within the Regulatory Framework, the Council will use this process to establish that RPs are issuing, terminating and extending fixed term tenancies in accordance with their own Tenancy Policies and that this has regard to the Council's Tenancy Strategy.

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

## 10.0 CARBON REDUCTION IMPLICATIONS

10.1 None.

## 11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None.

## 12.0 RECOMMENDATION/S

12.1 Members approve the Tenancy Strategy Statement in Appendix B.

## 13.0 REASON/S FOR RECOMMENDATION/S

13.1 The recommendations is key to the publication of a Tenancy Strategy which is a statutory requirement of the Localism Act 2011.

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## APPENDICES

Appendix A – Consultation Responses  
Appendix B – Tenancy Strategy Statement  
Appendix C – Equality Impact Assessment

## REFERENCE MATERIAL

1. Consultation responses.

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	13 <sup>th</sup> December 2012

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## **Appendix A**

### **Tenancy Strategy Consultation Responses**

#### **Consultation Question 1:**

*Are there any additional factors which need to be considered in deciding the type of tenancy offered for a property?*

66% skipped question  
33% answered question

Responses were a mix of general comments on the Property Pool Plus allocation policy or disagreeing with Fixed Term Tenancies. The Strategy has been amended as consultees suggested that Assured Shorthold Tenancies should be added as one of the main types of tenancies issued by RPs.

#### **Consultation Question 2:**

*Do you agree with the groups of people the Strategy suggests should be offered lifetime tenancies? If not, please suggest which groups should be removed or added to the list and the reasons why.*

Yes – 65.5%  
No – 34.5%

The Strategy has been amended as follows to take account of responses:

- to acknowledge the use of license agreements in certain circumstances;
- that if people aged over 55 are to be excluded from fixed term tenancies they must have dependants at the time of the new tenancy;
- that dependants are acknowledged as needing stability in certain circumstances and therefore the tenant is offered a lifetime tenancy in these circumstances;

#### **Consultation Question 3:**

*Do you agree that fixed term tenancies should be issued for a 5 year period except in exceptional circumstances? Please provide reasons if you disagree with this approach.*

Yes – 75.9%  
No – 24.1%

No alternatives were suggested, therefore no changes were necessary for this section.

**Consultation Question 4:**

*Do you agree with the circumstances suggested where a fixed term tenancy will not usually be renewed? If not, please tell us why.*

Yes – 72.4%

No – 27.6%

Following comments, the Strategy has been amended as follows:

- to reflect situations where the tenant themselves may have funded major adaptations to the property and their fixed term tenancy should therefore be extended; and
- removing the reference to a change in household financial circumstances as these can quickly change as well as the need to encourage unemployed tenants to gain employment;

**Consultation Question 5:**

*Is the time period of six months prior to the end of a tenancy long enough to provide support, advice and assistance in accessing alternative accommodation? If not, please suggest an alternative time period.*

Yes – 62.1%

No – 37.9%

Most consultees to have responded “no” suggested longer time periods of up to one year however it is the view of officers that six months should be viewed as a minimum and tenants may need greater time periods depending on their individual needs. Individual RPs will also be able to set longer time periods if they feel this is necessary.

**Consultation Question 6**

*Do you agree with the circumstances suggested where fixed term tenancies will usually be renewed and the other factors informing the decision on renewal? If not, please tell us why.*

Yes – 76.0%

No – 24.0%

The Strategy has been amended following comments suggesting that where the household has children of school age and there is no suitable alternative accommodation *in the immediate area* or there are non-dependant children present to prevent under-occupation, fixed term tenancies should usually be renewed.

**Consultation Question 7**

*Please provide any comments you may have on the Council’s monitoring and enforcement of the Tenancy Strategy.*

72% skipped question

28% answered question

It was suggested that Council contact details are provided in the Strategy should tenants find their landlord is not “having regard” to the Tenancy Strategy. Although the Council can liaise with RPs on this issue, it has no power to enforce the Strategy. The Strategy has however been amended to make clear the general complaints procedure for RP tenants and has also highlighted the role of the new Housing Ombudsmen and the new active role of “designated persons” (tenant panels, MPs and Councillors) in resolving complaints that came into effect on 1<sup>st</sup> April 2013.

**Consultation Question 8**

*Please provide any additional general comments you may have on the Council’s Tenancy Strategy.*

75% skipped question

25% answered question

Most comments were about Property Pool Plus and the Allocations Policy, which have been referred to the Property Pool Plus team manager, or disagreeing entirely with fixed term tenancies.

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## **Appendix B**

### **Tenancy Strategy for Wirral Council**

#### **1. INTRODUCTION**

The Localism Act 2011 introduces a statutory requirement for local authorities to develop a tenancy strategy. This strategy statement is expected to set out the local authority's vision for the way in which social housing is let within their area. In particular, it must address the way in which the authority expects the new type of tenancy introduced by the Act (the fixed-term tenancy) to be used by all providers in the local authority area.

This Statement must contain the matters to which Registered Providers of social housing (RPs) must "have regard" in formulating policies relating to:

1. the kind of tenancies they will grant;
2. the circumstances in which they will grant a tenancy of a particular kind;
3. where they grant tenancies for a certain term, the lengths of the terms; and
4. the circumstances in which they will grant a further tenancy when an existing tenancy is coming to an end.

The Strategy Statement will set out the Council's position on how it sees Registered Providers developing and implementing their own tenancy policies and the circumstances the Council is expecting Providers to consider in relation to decision making on the allocation and renewal of tenancies. Whilst it is a statutory function for the Council to publish a tenancy strategy statement there are no powers to enforce this strategy. Its purpose is to ensure some level of consistency across Registered Provider policies, clarity and transparency for prospective and exiting tenants and continuation of the strong partnership between the Council and Registered Providers in delivering services to local people.

It is proposed to review this Strategy annually to ensure it is kept up to date and relevant.

#### **2. DEVELOPING THE STRATEGY AND LINKS TO WIDER POLICY**

A Tenancy Strategy for Wirral assists in fulfilling two of the seven key aims of the Borough's Housing Strategy 2011-2026:

1. A need to make better use of the existing stock across all sectors and make homes accessible to meet current and future local housing need; and
2. A need to increase the availability of housing to respond to changes in household projections and deliver affordable homes.

The Strategic Housing Plan contains the following key actions to which the Tenancy Strategy will align:

1. *To maximise the use of social housing stock within the Borough.* Fixed term tenancies could increase turnover of tenants within social housing thereby increasing availability to those who most need this tenure of housing;
2. *Develop and produce a Strategic Tenancy Strategy;*
3. *Responding to changes in the local housing market and people's ability to purchase a home.* Due to current market conditions, first-time buyers are struggling to access mortgages due to the high deposits needed and demand for private rented properties

is high. Fixed term tenancies could assist these residents as there would potentially be more availability in the social sector; and

4. *To improve access to housing options for young people.* Fixed term tenancies, as well as potentially increasing housing availability, may be more suited to younger households whose financial circumstances may improve throughout the tenancy period.

This Tenancy Strategy also has regard to the Borough's Homelessness Strategy and Social Housing Allocations Policy by ensuring vulnerable groups are protected from homelessness and ensuring fixed term tenancies are advertised as such through Property Pool Plus.

### **3. LOCAL HOUSING MARKET CONDITIONS**

The introduction of the fixed term tenancy may prove useful in certain circumstances to assist in freeing-up social housing. Demand for this tenure-type is high and will continue to increase:

- Social housing in Wirral represents 15.8% of all housing stock<sup>1</sup>, which is slightly lower than both the North West region (17.9%) and nationally (17.0%)<sup>2</sup>.
- Figures for Wirral from the sub-regional Choice Based Lettings system (Property Pool Plus) show that at 28<sup>th</sup> March 2013:
  1. There were 8,724 applicants registered for social housing.
  2. The top two priority bands under Property Pool Plus (urgent and high priority) had a total of 2,669 applicants registered representing 30.6% of all those registered.
  3. The number of households in the high priority banding classed as under-occupying was 936. This is a significant increase since 2010, when 73 households were awarded priority status for under-occupying.
- In Wirral, over two thirds of newly forming households (63.4%)<sup>3</sup> are currently unable to afford general open market homes for sale. They will therefore be looking for other housing solutions including the private and social rented sector for properties for the longer term or until they can afford to buy.
- The 2011 mid-year population estimate shows that the population of Wirral now stands at 319,800 suggesting that the population has grown by 7,507 people (2.4%) since 2001.
- It is projected that the population will increase by 1.2% between 2011 and 2021<sup>4</sup>. The age profile shows a marked projected increase in the older population and a decrease in the number of young people:
  1. The population of those aged 60 and over in Wirral is due to increase by 12%
  2. The population of those aged 90 and over in Wirral is due to increase by 45%
  3. The population of those aged between 16 and 24 is due to decrease by 17%
- Feedback from the Housing Strategy consultation with young people highlights that over 85% of 16-24 year olds who responded thought it was important to increase the availability of affordable homes<sup>5</sup> (including social rented homes).

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<sup>1</sup> Wirral Area Mapping Project data, April 2012

<sup>2</sup> English Housing Survey 2010-11

<sup>3</sup> Strategic Housing Market Assessment 2009 Update – p47 para ii

<sup>4</sup> Interim 2011-based sub national population projections, ONS, Sept 2012

<sup>5</sup> Wirral's Housing Strategy 2011-26, page 18

The issuing of fixed term tenancies to certain household needs careful consideration. Overall there are an estimated 29,741 (20%) households in Wirral with one or more members identified as being vulnerable or having a special need, exceeding the national average of 14%<sup>6</sup>. Of these, 25% i.e. 7435 live in social rented housing. This implies that almost one third of social tenancies in Wirral contain one or more members identified as being vulnerable or having a special need. There is therefore a greater demand in Wirral for social housing from vulnerable households who may require greater stability of tenure than other household types and for who fixed term tenancies may not be appropriate.

#### **4. TYPES OF TENANCY OFFERED**

The main types of tenancies RPs will be issuing in Wirral (not exclusively) for their social, affordable and intermediate rented properties are as follows:

##### **1. Introductory (starter or probationary) tenancies**

These tenancies are used prior to fixed term or assured tenancies being issued. They are for new social housing tenants and normally last for 12 months as a trial period and can be automatically converted into fixed term or lifetime tenancies if the tenancy agreement hasn't been broken.

##### **2. Fixed term tenancies**

These can be provided to new tenants. The Government recommends they last for a minimum of five years but can be shorter if necessary. RPs should have regard to the Council's recommendations set out below in relation to the circumstances in which fixed term tenancies can be granted and renewed and also the length of time they are issued for.

##### **3. Lifetime (assured) tenancies**

The majority of social housing tenancies issued are assured tenancies and can apply to new tenants, tenants transferring from one RP to another or moving properties with the same RP (known as management moves).

##### **4. Assured Shorthold Tenancies**

These tenancies are available to use by RPs in certain circumstances such as for temporary accommodation or where the RP leases a property. They typically last for between six and twelve months.

#### **5. CIRCUMSTANCES IN WHICH RPs SHOULD GRANT A TENANCY OF A PARTICULAR KIND**

RPs will be expected to allocate properties in line with the Homes and Communities Agency (HCA) tenancy management standards and practices. In respect of those RPs who are Property Pool Plus (PPP) partners, advertisements and the allocations of properties will be as per the PPP allocation policy. RPs can currently select and identify the type of tenancy which will be granted as part of the initial advertisement of properties. PPP will assess these and any fixed term tenancies which are being advertised for a period of less than 5 years will be challenged.

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<sup>6</sup> Wirral's Strategic Housing Market Assessment 2007

However in considering the type of tenancy to be offered for a property, RPs should have regard to the following:

1. Sustainable communities – the need to create and sustain balanced and mixed communities;
2. Individual circumstances – there will be tenancy types that are more suitable than others for particular households, details of which are outlined below. This excludes circumstances such as shared supported accommodation when it may not be appropriate to offer a tenancy and a licence agreement is more suitable; and
3. Housing demand – ensuring that housing need and demand in the area of the properties being let is considered. Fixed term tenancies may be more appropriate in areas of high demand or where the need for a particular house-type is in demand. The Council can assist RPs in this decision making process on a regular basis.

Lifetime tenancies will be more suited to certain potential tenants, particularly where there is a need for long term stability. The Council seeks views from stakeholders on which groups should be offered lifetime tenancies after the standard probationary period, however the Council is proposing they include:

1. Older people aged 55 and over with no dependants;
2. Prospective tenants and/or their dependants that have a lifelong need for care and / or support;
3. Prospective tenants and/or their dependants that require an adaptation which will be required for life;
4. Prospective tenants of specialist accommodation (where a tenancy is appropriate and there is no need for licence agreements);
5. High risk offenders and Schedule 1 offenders;
6. Applicants with severe long term health conditions, such as those people receiving Employment Support Allowance in the “Support Group”; and
7. Existing tenants granted with a lifetime tenancy after Section 154 of the Localism Act 2011 was enacted who are mutually exchanging their property (unless they are moving to accommodation being let on affordable rent terms)

## **6. LENGTH OF FIXED TERM TENANCIES**

The Homes & Communities Agency expect that most fixed term tenancies are issued for five years. They state that RPs should set out any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing.

If RPs intend using fixed term tenancies taking into account the circumstances outlined in section 5 above, the Council support the views of the Homes and Communities Agency that 5 year fixed term tenancies are issued to give some longer term stability to households. All fixed term tenancies issued will be in addition to an introductory tenancy.

The Council expects that tenancies shorter than the 5 year period should only be issued in exceptional circumstances, where appropriate, for the individuals or property. Examples of exceptional circumstances include:-

- Where a property is part of a leasing arrangement and is not in the ownership of the Registered Provider and would need to revert into private ownership with vacant possession;

- Supported housing schemes where it's anticipated that the tenant will move on to more settled accommodation within a period of less than five years;
- Lettings carried out for management reasons such as those for tenants moving into properties to allow emergency works to be carried out in their existing home; and
- Offers of accommodation to RP staff moving into the area in order to take up employment.

## **7. CIRCUMSTANCES IN WHICH REGISTERED PROVIDERS ARE EXPECTED TO END OR EXTEND A TENANCY ON THE ENDING OF A FIXED TERM TENANCY**

Fixed term tenancies expiring **will not usually** be renewed where:

1. The household is under-occupying the property or the property is overcrowded, subject to alternative accommodation being available which can be offered to the tenant;
2. There has been a default on a tenancy agreement (such as non payment of rent or anti-social behaviour);
3. The property was subject to major adaptations funded by the RP or local authority during the tenancy period for someone with a disability and that person is no longer resident there and there is demand for the adapted property;
4. A person has been granted a property in order to receive support but then refuses to engage with or accept that support; or
5. It is identified the property is inappropriate for an individual's needs.

Under these circumstances, no tenancy should be ended without a move-on plan and should have the potential to be extended at the discretion of the RP if no suitable alternative accommodation is available. The RP should engage with the tenant **at least** six months prior to the end of the tenancy to agree the move-on plan and to provide support, advice and assistance in accessing alternative accommodation.

Fixed term tenancies expiring **will usually** be renewed where:

1. The household includes children of school age and there is no alternative accommodation suitable to the households needs in the immediate area;
2. The household includes non-dependent children who are above school age due to a lack of alternative affordable accommodation or the desire not to under-occupy;
3. The household includes a disabled person with adaptations to the home that are still required;
4. The household receives some form of housing support or is recognised as being vulnerable;
5. The tenant or a household member is seriously or terminally ill; or
6. The tenant would be approaching the age of 55 within the next 3 years and the property is suitable for a lifetime tenancy.

Other factors informing the decision on renewal will include:

1. The conditions of the tenancy are being maintained; and
2. Where the household is playing an active role in the community.

## **8. MONITORING AND ENFORCEMENT**

There is no guidance from Government stating if and how authorities should monitor whether RPs are “having regard” to Tenancy Strategies. Wirral Council will be aware of fixed term tenancies being issued through the following:

1. The Council requires that any RPs’ draft Tenancy Policies are sent to the Housing Strategy Team in order that the Council is aware of RPs intentions to issue fixed term tenancies and they comply with and have regard to the Council’s Tenancy Strategy;
2. The Council requires that RPs inform the Council of any fixed term tenancies issued as part of the annual Wirral Area Mapping Project data collection;
3. The Council is made aware of proposed tenancy types in new-build RP properties; and
4. Properties advertised through Property Pool Plus with fixed term tenancies are known to the Council.

The Council will require RPs to inform them when they intend to issue fixed term tenancies and on what properties and will trust that RPs are issuing, terminating and extending fixed term tenancies in accordance with their own Tenancy Policies but that this has regard to the Council’s Tenancy Strategy.

Where tenants have a complaint about their tenancy, RPs have principal responsibility for dealing with, and being accountable for, complaints about their service, and the HCA’s Tenant Involvement and Empowerment standard requires that they have clear and effective mechanisms for responding to tenant complaints. A tenant with a complaint against their landlord should raise it with their landlord in the first instance who can also provide advice on their complaints procedure. Should the complaint remain unresolved, a new arrangement introduced on 1<sup>st</sup> April 2013 through the Localism Act 2011 means the tenant can contact a “designated person” (tenant panel, MP or Councillor) who will assist in resolving the complaint and if required can escalate the complaint to the Housing Ombudsmen.

## **9. EQUALITY AND DIVERSITY**

An Equality Impact Assessment Toolkit has been completed and can be seen at <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>

This Strategy was produced by Wirral Council’s Housing Strategy Team. The Team can be contacted as follows:

Telephone – 0151 691 8151

E-mail – [housingstrategy@wirral.gov.uk](mailto:housingstrategy@wirral.gov.uk)

Mail – Regeneration & Environment, Town Hall, Wallasey, CH44 8ED



## Equality Impact Assessment Toolkit (from May 2012)

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

**EIA lead Officer:** Edward Kingsley

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

**Head of Section:** Ian Platt

**Chief Officer:** Kevin Adderley

**Department:** Regeneration, Housing & Planning

**Date:** 15 November 2012

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

Wirral's Tenancy Strategy Statement

### **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 – 20<sup>th</sup> December 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/regeneration-housing-planning>

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

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)  
Registered Providers of Social Housing (RPs) in Wirral and their new tenants.

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

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

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

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

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

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



**Section 5:**

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

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

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

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
Disability	Positive – the Tenancy Strategy recommends that fixed term tenancies will not be used for prospective tenants where the household requires an adaptation to the home which is required for life.				
Age	Positive – the Tenancy Strategy recommends that older people aged 55 and over are not offered Fixed Term Tenancies to ensure stability of tenure during later life.				
Pregnancy & Maternity	Positive – the Tenancy Strategy recommends that where children are part of the household and an offer of a fixed term tenancy property has been made, a tenancy period of longer than five years is considered to ensure continuity of education or where stability is				

	needed for other reasons relating to life chances.				
Socio-economic	Positive – the Tenancy Strategy encourages the use of fixed term tenancies in certain circumstances which should increase the availability of social housing for low income households.				

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

Registered Providers of Social Housing (RPs) intending to produce Tenancy Policies will be expected to share drafts with the Council to make them aware of their intentions to issue Fixed Term Tenancies. These tenancies will also be monitored through annual Wirral Area Mapping Project (WAMP) returns; RPs will be expected to provide data relating to the tenancies of their properties. Properties with Fixed Term Tenancies advertised through Property Pool Plus and the proposed tenancy types of any new build schemes will also be made aware to us.

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

The Tenancy Strategy contains matters to which RPs must have regard in formulating policies relating to:

1. the kind of tenancies they will grant;
2. the circumstances in which they will grant a tenancy of a particular type;
3. where they grant tenancies for a certain term, the lengths of the terms; and
4. the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

The Strategy therefore aims to ensure there are no negative impacts on protected groups with the introduction of Fixed Term Tenancies. This will be kept under review.

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

1. Wirral's Housing Strategy 2011-26
2. Strategic Housing Market Assessment 2009 Update
3. Office for National Statistics data
4. Responses from RPs to a questionnaire on their use of fixed term tenancies.

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

Yes

If 'yes' please continue to section 8.

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

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

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

Consultation with all RPs via questionnaires has already taken place. The draft Strategy will be sent to all for comment and made available on the website for public comment once approved by Cabinet in late December 2012.

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

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

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

- a) Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)
- b) Include any potential positive impacts as well as negative impacts? (section 5)
- c) Send this EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer?

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

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## ECONOMY AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE 22 APRIL 2013

### 58 UNDER-OCCUPATION SCRUTINY REVIEW

Further to minute 34 (14 November 2012), the Chair presented a report of the Under-Occupation Scrutiny Task and Finish Group, which introduced the Final Report of the Scrutiny Review 'The Implications of Benefit Reforms on Under Occupation'. The Panel had consisted of Councillors Mark Johnston (Chair), Denise Realey, Jean Stapleton, Mike Sullivan and Janette Williamson and the Chair indicated that the Scope Document agreed by the Committee had identified the following key issues to be focused upon –

- The impact of the introduction of the Housing Benefit Cap;
- The impact of changes to the Local Housing Allowance, with special reference to the Shared Accommodation Rate for under-35s;
- The allocation process for Discretionary Housing Benefit;
- The impacts of the reforms relating to Under-occupation and how this affects households and communities;
- The impact of the reforms on the Social Housing sector.

The report outlined the methodology for evidence gathering during the course of the review and the Chair highlighted the 18 recommendations contained within the document, separated in terms of their implications for tenants; social housing providers; the private housing sector; the Council and its Services; and other partner organisations and their clients.

Members noted that recommendation 14 of the review proposed that a follow-up review of the impact of the reforms should be held in the future, that "an Evaluation Impact Assessment regarding the effect of the reforms on under-occupation would be conducted by the Economy and Regeneration Scrutiny Committee (or successor Committee) during spring 2014 to assess the practical impact of the reforms". The report indicated that in order for any follow-up review to be most beneficial, it would be helpful if statistical measures were put in place to evaluate the impact of the reforms on individuals, organisations and communities. Members were requested to give consideration now, to the type of data that would be required for the Impact Assessment, as early identification of the statistical measures would enable the Council and partner organisations to be aware in advance of the requirement to capture the data.

Members thanked the Scrutiny Panel for the excellent work they had undertaken and expressed support for the recommendations contained within the Scrutiny Review. In response to comments in relation to the criteria for the allocation of Discretionary Housing Payment, the Chair indicated that further clarity was required and that the Strategic Director: Transformation and Resources would be requested to ensure that all front-line staff had access to an online toolkit to enable them to sign-post clients accordingly. Members requested that, on its completion, the online toolkit be made available to partner voluntary, community and faith organisations.

**Resolved –**

- (1) That, subject to the amendment of Recommendation 11, to enable the online toolkit to be made available to voluntary, community and faith organisations, the Under-Occupation Scrutiny Report be approved.**
- (2) That the Under-Occupation Scrutiny Report be referred to the next appropriate meeting of the Cabinet.**
- (3) That further reports be presented to the Economy and Regeneration Overview and Scrutiny Committee (or successor Committee) to update Members regarding the progress being made towards the implementation of the recommendations.**
- (4) That the following statistical measures be available prior to the proposed Follow-up Review in Spring 2014 –**
  - Criteria for the fair allocation of Discretionary Housing Payments**
  - The effect/impact of Benefit Reforms on landlords**
  - Statistics in relation to arrears/evictions**
  - Impact on homelessness referrals**
  - The number of legal challenges**
  - The impact of Benefit Reform on crime levels and the activities of loan sharks**
  - Any other issues notified by Members to Alan Veitch**
- (5) That the thanks of the Committee be accorded to the Scrutiny Panel, to residents, partners and officers, who contributed to the Scrutiny Review, in particular to Alan Veitch, Scrutiny Support Officer.**



## WIRRAL BOROUGH COUNCIL

### ECONOMY AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE - 22<sup>nd</sup> APRIL 2013

#### REPORT OF THE UNDER-OCCUPATION SCRUTINY TASK & FINISH GROUP

#### UNDER-OCCUPATION SCRUTINY REVIEW – FINAL REPORT

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### EXECUTIVE SUMMARY

This report provides background information regarding the Final Report of the Under-occupation Scrutiny Review.

#### 1. Background

- 1.1 During meetings of the Economy and Regeneration Scrutiny Committee held during 2012, members reported considerable public concern regarding the impact of changes to housing benefit and welfare reforms specifically relating to under- occupation in both the public and private housing sectors.
- 1.2 At the meeting of the Economy and Regeneration Scrutiny Committee, held on 5<sup>th</sup> September 2012, members agreed to:  
“Further scrutiny work being undertaken on the impact of Welfare Reform on both private and social housing sectors and, in particular, on under-occupancy in the social sector”.
- 1.2 All members of the Committee were invited to volunteer to join a Task & Finish Group to undertake detailed scrutiny work of this topic. Subsequently, a number of members attended a meeting held on 18<sup>th</sup> October 2012 at which the detailed Scope for the review was discussed.
- 1.2 The members who joined the Task & Finish Group were:
  - Councillor Mark Johnston (Chair)
  - Councillor Denise Realey
  - Councillor Jean Stapleton
  - Councillor Mike Sullivan
  - Councillor Janette Williamson

#### 2. Scope of the Review

- 2.1 The Scope Document for the Scrutiny Review was agreed by the Economy and Regeneration Overview and Scrutiny Committee in November 2012.
- 2.2 It was agreed that the Scrutiny Review would focus on the following key issues:
  - The impact of the introduction of the Housing Benefit Cap;
  - The impact of changes to the Local Housing Allowance, with special reference to the Shared Accommodation Rate for under-35s;
  - The allocation process for Discretionary Housing Benefit;

- The impacts of the reforms relating to Under-occupation and how this affects households and communities;
- The impact of the reforms on the Social Housing sector.

### **3 Evidence Gathering and the Report**

- 3.1 The majority of the evidence for this Scrutiny Review was gathered during two Evidence Days held at Wallasey Town Hall. During those days the Members interviewed a series of landlords, tenants, Council officers and representatives of partner organisations.
- 3.2 Following the Evidence Days, members of the Task & Finish Group have reviewed their findings. The Final Report, 'The Implications of Benefit reforms on Under-occupation', which includes eighteen recommendations, is attached for consideration by the Committee.

### **4. Proposed Follow-up Review**

- 4.1 Recommendation 14 of the Scrutiny Report proposes that a Follow-up review of the impact of the reforms should be held in the future. The Members recommend that "An Evaluation Impact Assessment regarding the effect of the reforms on under-occupation will be conducted by the Economy & Regeneration Scrutiny Committee (or successor committee) during spring 2014 to assess the practical impact of the reforms".
- 4.2 In order for any follow-up review to be most beneficial, it would be helpful if statistical measures are put in place to evaluate the impact of the reforms on individuals, organisations and communities. Therefore, thought should be given now to the type of data that will be required for the Impact Assessment. Early identification of the statistical measures will enable the Council and partner organisations to be aware in advance of the requirement to capture the data.

## **RECOMMENDATIONS**

- (1) Members are requested to approve the Under-occupation Scrutiny Report;
- (2) The Under-occupation Scrutiny Report will be referred to the next appropriate Cabinet meeting;
- (3) Further reports will be presented to the Economy & Regeneration Overview and Scrutiny Committee to update members regarding the progress being made towards the implementation of the recommendations;
- (4) Members are asked to highlight any statistical measures that will need to be available prior to the proposed Follow-up Review in Spring 2014.

### **Report of the Under-occupation Scrutiny Task & Finish Group:**

**Cllr Mark Johnston (Chair)**

**Cllr Jean Stapleton**

**Cllr Denise Realey**

**Cllr Michael Sullivan**

**Cllr Janette Williamson**

**THE IMPLICATIONS OF BENEFIT REFORMS ON  
UNDER-OCCUPATION**

**SCRUTINY REVIEW**



*A report produced by*  
**THE ECONOMY & REGENERATION  
OVERVIEW & SCRUTINY COMMITTEE**

**March 2013  
FINAL VERSION**

**WIRRAL BOROUGH COUNCIL**

**THE IMPLICATIONS OF BENEFIT REFORMS ON  
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**FINAL REPORT**

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## 1. INTRODUCTION

At the meeting of the Economy and Regeneration Scrutiny Committee, held on 5<sup>th</sup> September 2012, Members agreed to:

“Further scrutiny work being undertaken on the impact of Welfare Reform on both private and social housing sectors and, in particular, on under-occupancy in the social sector.”

As a result, two Evidence Days were held during January 2013, when representatives of landlords, tenants and a variety of partner organisations discussed relevant issues with the Members of the Scrutiny Panel.

An Executive Summary of the findings follows, together with the recommendations arising from this Review. The Report then sets out the background to the original brief, as well as the methodology adopted for gathering the evidence. This is followed by the main body of the Report which details the key findings of the Review and the evidence gathered in support of the recommendations of the Panel Members.

## **2. EXECUTIVE SUMMARY AND RECOMMENDATIONS**

### **The reforms under scrutiny**

Three specific reforms are included in the scope of this Under-occupation Scrutiny Review.

- Shared Accommodation Rate in the private housing sector.  
The shared accommodation rate (SAR) restricts single households without child dependants in the private rented sector to enough Housing Benefit to rent a room in a shared house. In January 2012, the age limit for this reform was raised from 25 to 35 year olds.
- ‘Benefit Cap’.  
A new ‘Benefit Cap’ means some tenants may get their housing benefit reduced if they receive a high level of State welfare benefits. The Benefit Cap will be applied to working age tenants with children or a spouse and will be limited to a maximum of £500 per week (£26,000 per annum). A single tenant can only receive up to £350 per week (£18,200 per annum). This reform is due to be phased in during 2013.
- Under-occupation rule for tenants in the social housing sector.  
From April 2013, all current and future working age tenants renting in the social housing sector will receive Housing Benefit based on the need of their household. This will mean a reduction in their benefit entitlement if they live in housing that is deemed to be too large for their needs. Those in receipt of maximum Housing Benefit with one spare bedroom will lose 14% of their Housing Benefit and those with two or more spare bedrooms will lose 25%. Tenants who receive partial Housing Benefit will lose benefit pro rata depending on whether there are one or two (plus) spare bedrooms.

Further details of the reforms are available in Section 6.1 of the Report. Of the three reforms, the Panel Members have focused particularly on the forthcoming Under-occupation rule in the social housing sector. However, it is clear that these reforms will impact on individuals, communities, housing providers, the Council and partner organisations.

### **The implications for tenants**

It is apparent from the evidence provided during the Evidence Days that the proposals are creating significant anxiety for some individuals. It was predicted by one attendee at the Evidence Days that “there will be unfortunate casualties”. This is most likely to be among some of the Borough’s more vulnerable residents. Reduced income will cause increased hardship for tenants, particularly when taken in conjunction with the wider welfare reforms. The options available to tenants appear to include:

- Moving to a smaller property (if available). During the Evidence Days, the shortage of one and two bedroom properties in Wirral’s social housing sector was highlighted repeatedly. Consequently, the ability to downsize is seen as a real barrier for tenants even if they were willing to do so
- Reducing spending or increasing income
- Taking in a lodger
- Applying for support from Discretionary Housing Payments (DHP)

Discretionary Housing Payments (DHP) are extra payments that can be made by a Local Authority to a claimant in order to help pay rent, Council Tax or both. In effect, DHP is an emergency fund to support people who have a benefit shortfall. Therefore, when the under-occupation rule is introduced in April 2013, benefit recipients will be able to claim for DHP for a transitional period. It is clear from the evidence before the Panel Members that demand for the DHP resources will continue to increase. The Panel Members suggest that clear criteria should be put in place to ensure that the resources are allocated as fairly as possible and the most deserving cases are recognised. There was concern expressed that the DHP funding should not be allocated purely on a ‘first-come, first-served’ basis.

There was particular concern that disabled people living in specially adapted properties could be forced to move, requiring adaptations to be repeated at additional cost. The Department for Work and Pensions (DWP) has responded, in general, by saying that Local Authorities should avoid this by prioritising DHP funding for disabled people with significant adaptations. Therefore, the Panel members agreed that, if the tenant is in a property with major adaptations, such tenants should be treated as a high priority within the DHP allocation process.

At the time of the Evidence Days, another specific group who would be adversely affected by the under-occupation rule were those foster carers living in social housing and claiming housing benefit. Foster children were not allowable in the original under-occupancy calculation. Although relatively few in number, there was a fear among social care professionals that the introduction of the under-occupation rule may lead to a reduction in the number of foster carers due to the additional cost of providing an additional bedroom(s). However, on 12<sup>th</sup> March 2013, the Government announced that approved foster carers will be allowed one room for a foster child, although additional spare bedrooms may continue to attract the under-occupancy reduction. At the time of writing, clarity is still needed to ensure that no foster carers are detrimentally affected by this reform. Current indications show potentially 16 families in Wirral that may be affected. Therefore, the Panel Members are proposing that financial support should be made available to this small number of tenants, if deemed necessary, further to the clarification from the Department for Work and Pensions.

### **The implications for social housing providers**

Concern was expressed regarding the impact that the Under-occupation rule could have on the social housing providers as businesses, resulting from the increased bad debt that may occur. As an example, for Wirral Partnership Homes, with over 2,600 affected tenants identified, the average additional rent to pay is £717 per year each. In order to mitigate risks, it is possible that the Registered Providers will have to re-structure their businesses in order to ensure that core services are protected. In the future, they will have to ensure investment in core services, such as collecting rent, ensuring an effective repairs and maintenance process and an extension of advice services to tenants. In the future, it would be helpful if potential tenants were better advised on what they could afford regarding their housing costs prior to them applying for tenancies. It is suggested that the Property Pool Plus website could be enhanced to provide additional information to potential tenants.

The total number of one bedroom properties owned by Registered Providers in Wirral is 6,093. This represents 26.5% of the total stock of social housing. However, of that total, 296 are supported housing and 1,701 are sheltered accommodation. There was recognition that there is a shortage of smaller properties in the social housing sector and, therefore, there is a significant barrier towards tenants downsizing. As the Council undertakes the Housing Needs Assessment for the Borough, the Panel Members request that such evidence is taken into account. Although there are problems with the supply of smaller properties, it may be possible to encourage some tenants to downsize. Therefore, the Panel Members are suggesting that further consideration should be given to the marketing and promotion of downsizing assistance already available to tenants.

A further way in which under-occupying tenants may be encouraged to move property and downsize is to increase the priority of such tenants within the banding system on Property Pool Plus. Under the current scheme, those applicants to Property Pool Plus who are deemed as 'Under occupation' are allocated to Band B ('High Priority to Move'). The Panel Members considered that this was the appropriate priority for such tenants.

The Registered Providers reported that little building of one bedroom accommodation has taken place for several years and had not been identified as a significant growth area in their long-term development plans. Within existing properties, some Registered Providers have considered the concept of re-designation of rooms. As an example, this could ensure that a small box room was no longer considered as a bedroom, resulting in the property being deemed to have one fewer bedroom and a consequential reduction in rent. In Wirral, this did not appear to be an approach that will be widely utilised by the Registered Providers.

To date, it appears that little use has been made of mutual exchange between tenants in the social housing sector. The Panel Members are requesting that further work takes place to encourage this process. Likewise, the Registered Providers are encouraged to explore the concept of Social Overdrafts to help ensure that tenants are better able to maintain their tenancies in the short-term. A further explanation of this concept is available in Section 6.3 of this Report.

### **The implications for the private housing sector**

The implementation of the shared accommodation rate changes for tenants in the private sector were planned over a significant period of time. As a consequence, many landlords in the private sector planned ahead some time ago by starting to reduce the number of under-35 tenants who were in receipt of Local Housing Allowance. It is expected that this trend will continue. In general, representatives of the private housing sector expressed great concern for the future regarding the impact of the wider welfare reforms.

The welfare reform agenda has been a significant topic of interest at meetings of the Private Landlord Forum. The Panel Members support the continued dialogue with the private housing landlords, ensuring that landlords are aware of their responsibilities, especially with regard to shared accommodation.

It is widely anticipated, by both landlords and Council officers, that there will be a rise in demand from the under-35 year olds for bedsit-type accommodation in the private sector. It is predicted that those landlords operating in the private sector will see the opportunity to expand the number of smaller units. The consequence will be an increase in the numbers of Houses in Multiple Occupation (HMOs) with landlords buying cheaper properties and converting them for shared accommodation and smaller units. Therefore, adequate monitoring and enforcement action needs to be taken to prevent the establishment of illegal Houses in Multiple Occupation (HMOs).

### **The implications for the Council and its partners**

It is anticipated that the welfare reforms, including the changes to the under-occupation rules, will have a significant impact on the number of queries received by front-line staff, including the One Stop Shops. There are clearly concerns regarding resources. The Council is already exploring a number of options including the possibility of providing additional resource at “front of house” by re-deploying staff from elsewhere and ensuring that existing staff are fully trained and supported. In particular, it is important that front-line staff are able to sign-post clients to the most effective service to meet their individual requirements. In addition, the Panel Members encourage the expansion of Digital Champions in libraries, alongside the Go ON Wirral campaign with which the Council is currently engaged.

It is anticipated that some of the implications of the welfare reforms, of which the under-occupation rule is just a part, will take some time to develop and to become apparent. The Panel Members are, therefore, recommending that a follow-up review takes place in approximately 12 months’ time in order to monitor the actual implications.

### **The implications for other partner organisations and their clients**

It is highly likely that demand for advice and support will increase, at least in the short-term, adding to the pressure on the community and voluntary sector’s ability to continue the level of information, advice and advocacy services. Their capacity is already significantly stretched as a result of reduced resources. The case was made by some contributors that there is scope to improve partner working in order to avoid duplication of services and to make the most effective use of resources.



The Panel Members are also encouraging organisations to work together to provide a structure for bringing back hard-to-let or empty properties into use. The idea of “self-repair” could be positive if supported by the Council and Registered Providers. There may be the potential for organisations such as temporary accommodation providers / hostels to act as partners within this process.

During the Evidence Days, contributors pointed out the need for individuals to be able to manage budgets. The provision of more education regarding financial management and budgeting, particularly for young people and especially in socially deprived areas, would be beneficial. There is also scope for voluntary and community groups to make an important contribution in the wider community. It is hoped that Credit Unions will have a role to play, both in continuing to provide credit at competitive rates and providing other financial services to its members. Awareness-raising regarding Credit Unions in schools would be a helpful way of promoting financial management and budgeting skills to young people.

In considering the evidence found during the Review, the Panel Members have formulated the recommendations identified on pages 8 to 10.

## RECOMMENDATIONS

### The implications for tenants

#### **Recommendation 1 – Criteria for the allocation of Discretionary Housing Payment**

The Strategic Director of Transformation and Resources is requested to ensure that, whilst every application will be considered on its individual merits, the allocation of Discretionary Housing Payment is based on well-defined and quantifiable criteria. The criteria should be defined by the identification of the most vulnerable groups. The criteria should be easily understood by clients, for example, based on a points system and should be available for all front-line staff in the Toolkit (see Recommendation 11).

*(Reference Section 6.2, page 19)*

#### **Recommendation 2 – Tenants with disabilities**

Tenants living in properties with major adaptations and affected by the under-occupation rule should be treated as a high priority within the Discretionary Housing Payment criteria.

*(Reference Section 6.2, page 19)*

#### **Recommendation 3 – Foster carers**

The Strategic Director for Families and Wellbeing is requested to monitor any changes to the under-occupation rules specifically affecting foster carers. Should there be adverse effects on any foster carers, the Strategic Director is requested to consider the introduction of an additional monthly fixed fee, paid regardless of whether a child is in place, in order to offset the implications of the under-occupation rules for those foster carers affected.

*(Reference Section 6.2, page 20)*

### The implications for social housing providers

#### **Recommendation 4 – Enhancements to the Property Pool Plus website**

The Strategic Director for Regeneration and Environment should consider the enhancement of the Property Pool Plus (PPP) website to ensure that a benefits calculator and other relevant information is available at the time when tenants are selecting and applying for properties.

*(Reference Section 6.3, page 21)*

#### **Recommendation 5 – Downsizing Support**

The Strategic Director for Regeneration and Environment is requested to discuss with the Registered Providers whether a more joined-up approach could be employed regarding the marketing and promotion of downsizing services which are already available to tenants.

*(Reference Section 6.3, page 22)*

#### **Recommendation 6 – Promotion of mutual exchange**

The Strategic Director for Regeneration and Environment is requested to consider ways in which mutual exchanges in the social housing sector could be encouraged. This will include use of the Property Pool Plus.

*(Reference Section 6.3, page 23)*

#### **Recommendation 7 – The concept of Social Overdrafts**

The Strategic Director for Regeneration and Environment is requested to investigate the principles of Social Overdraft schemes and present those findings to the local Registered Providers.

*(Reference Section 6.3, page 23)*

## The implications for the private housing sector

### **Recommendation 8 – Training programme for private landlords regarding benefit reforms**

The Strategic Director for Regeneration and Environment is supported in undertaking a training programme for private landlords to explain the changes and how prospective tenants will be affected. The holding of seminars regarding Houses in Multiple Occupation (HMOs) and regulations regarding shared accommodation is also supported.

*(Reference Section 6.4, page 24)*

### **Recommendation 9 – Monitoring of Houses in Multiple Occupation (HMOs)**

The Strategic Director for Regeneration and Environment should establish how the Council can better monitor illegal Houses in Multiple Occupation (HMOs) in order to ensure that enforcement action is taken.

*(Reference Section 6.4, page 24)*

## The implications for the Council and its Services

### **Recommendation 10 – Digital Champions in Libraries**

In order to further prepare for Digital by Default and support the aims of the Go ON Wirral campaign, it is proposed that the Strategic Director of Transformation and Resources should set a target for each library to recruit a minimum of five Digital Champions to provide support for clients. It is acknowledged that, at some of the smaller neighbourhood sites, this may not always be practical but is highly encouraged.

*(Reference Section 6.5, page 26)*

### **Recommendation 11 – Toolkit for front-line staff**

The Strategic Director of Transformation and Resources is requested to ensure that all front-line staff in the Council have access to an online Toolkit of information to enable them to sign-post clients to the most appropriate advice-point regarding issues such as:

- Benefits advice
- Debt advice
- Budgeting skills
- Support with digital inclusion
- Avoiding expensive forms of finance
- Opening a bank account

The Toolkit should also be made available to voluntary, community and faith organisations where appropriate.

*(Reference Section 6.5, page 27)*

### **Recommendation 12 – The importance of paying rent**

The Head of Neighbourhoods and Engagement should work in partnership with the Registered Providers and private landlords to promote the importance of tenants paying rent.

*(Reference Section 6.5, page 27)*

### **Recommendation 13 – The implications of the shortage of smaller accommodation for the Housing Needs Assessment process**

The Panel Members highlight the level of evidence relating to the shortage of smaller properties and request that this is taken into account by the Strategic Director for Regeneration and Environment during the Housing Needs Assessment process.

*(Reference Section 6.5, page 27)*

### **Recommendation 14 – Follow-up review of the impact of the reforms**

An Evaluation Impact Assessment regarding the effect of the reforms on under-occupation will be conducted by the Economy & Regeneration Scrutiny Committee (or successor committee) during Spring 2014 to assess the practical impact of the reforms.

*(Reference Section 6.5, page 28)*

The implications for other partner organisations and their clients

**Recommendation 15 – The allocation of armed forces veterans on Property Pool Plus**

Armed forces veterans, by nature of their duty to the country, should be allocated as Band B on the housing waiting list system.

*(Reference Section 6.6, page 29)*

**Recommendation 16 – Partnership working and self-repair projects**

The Council should act as a community leader to encourage the transfer of hard-to-let or empty properties to temporary supported housing providers or community organisations. Opportunities to support this should be explored through revenue finance/services from the Supporting People Programme or other relevant revenue funding streams. This support would help provide on-going housing management services so that vulnerable people could maintain tenancies. Consideration should also be given to creative ideas such as self-repair projects.

*(Reference Section 6.6, page 30)*

**Recommendation 17 – Education regarding financial management and budgeting in schools**

The Strategic Director for Families and Wellbeing is requested to lead a dialogue with local schools to encourage increased provision of education regarding financial management and budgeting. The Schools Forum could provide a useful mechanism for this dialogue.

*(Reference Section 6.6, page 30)*

**Recommendation 18 – Credit Unions in schools**

The Strategic Director for Families and Wellbeing is requested to hold discussions with Wirral Credit Union regarding the possibility of Credit Unions being established in schools in order to promote education regarding financial management and budgeting.

*(Reference Section 6.6, page 30)*

### 3. PANEL MEMBERS

#### ***Councillor Mark Johnston (Chair)***



The purpose of this Scrutiny Review was to gather evidence about the potential impact that the Under-occupancy reforms may have on local residents and partner organisations and then seek approaches to mitigate the effects. Evidence would strongly suggest that this legislation is going to adversely impact on some of our most vulnerable residents and that the Council does not have the resources necessary to alleviate all the effects.

I understand the need to reduce Welfare expenditure and understand the principle of ensuring that people are living in a size of accommodation that meets their needs, not necessarily their wants. Over-occupation is a waste of tax payers' money and blocks access for families in need of larger accommodation units. However, I feel this legislation is being introduced too quickly, has some unintended consequences, does not recognise the fact there is simply not the variety of housing stock required and will create hardship for a group of already vulnerable residents.

The recommendations of the report do go some way to mitigate impact but the fact must be faced that potentially several thousand local residents will be negatively affected by this new legislation. I am pleased to see some last minute concessions for foster carers and children with disabilities but still do not feel that the National Government has built in enough resource to protect the most vulnerable. As a Council we will need to continue to look for creative solutions and also monitor the situation as further reforms will have an accumulative impact on some of our most vulnerable residents and those partner organisations who support them.

I would like to thank all the residents, partners, Council officers and fellow Councillors who contributed to this Scrutiny Review.

A handwritten signature in black ink, appearing to read 'Mark Johnston'.

Other Panel Members were:

#### ***Councillor Denise Realey***



#### ***Councillor Jean Stapleton***



#### ***Councillor Mike Sullivan***



#### ***Councillor Janette Williamson***



#### **4. BACKGROUND AND ORIGINAL BRIEF**

During 2012, at meetings of the Economy and Regeneration Scrutiny Committee, Members have reported considerable public concern regarding the impact of changes to housing benefit and welfare reforms specifically relating to under-occupation in both the public and private housing sectors.

At the meeting of the Economy and Regeneration Scrutiny Committee, held on 5<sup>th</sup> September 2012, members agreed to:

“Further scrutiny work being undertaken on the impact of Welfare Reform on both private and social housing sectors and, in particular, on under-occupancy in the social sector.”

All Members of the Committee were invited to volunteer to join a Task & Finish Group to undertake detailed scrutiny work on this topic. Subsequently, a number of Members attended a meeting held on 18<sup>th</sup> October 2012 at which the detailed Scope for the Review was discussed.

The Scope Document for the Scrutiny Review, attached as Appendix 1 to this Report, was agreed by the Economy and Regeneration Overview and Scrutiny Committee held on 14<sup>th</sup> November 2012. The Members proposed that the focus of the Scrutiny Review was to investigate the impact of changes to housing benefit and the welfare reforms specifically relating to under-occupation in both the public and private housing sectors. Key issues for the review were identified as:

- The impact of the introduction of the Housing Benefit Cap;
- The impact of changes to the Local Housing Allowance, with special reference to the Shared Accommodation Rate for under-35s;
- The allocation process for Discretionary Housing Benefit;
- The impacts of the reforms relating to Under-occupation and how this affects households and communities;
- The impact of the reforms on the Social Housing sector.

Prior to the commencement of the Review, Members agreed that, as this Review was to focus particularly on under-occupation, the following reforms are outside the scope of this Review:

- Universal Credit
- Localised Council Tax Reduction Scheme

Therefore, it is important to note that this Scrutiny Review does not cover the impact of the full Welfare Reform agenda, particularly as some of the reforms lie outside the remit of the Economy & Regeneration Scrutiny Committee.

## 5. **METHODOLOGY FOR THE REVIEW**

The Panel Members have used a Select Committee model of evidence-gathering for this Scrutiny Review, whereby the majority of the oral evidence was gathered over two days. This model of scrutiny has been a new departure for Wirral Council. The two Evidence Days, held on 15<sup>th</sup> and 22<sup>nd</sup> January 2013, adopted the following guidelines:

- The Evidence Days were held in private session. It was agreed that holding the sessions in public may prevent some witnesses from discussing issues freely.
- A timetable for the Evidence Days was prepared.
- On each day, witnesses were asked to be available at a specific time during the day and only for a particular length of time.
- Some witnesses were grouped together and seen together as there was a logical link between them.
- Prior to the Evidence Day, each witness was sent a copy of the Scope document for the Review.

The attendees during the two Evidence Days are shown in Appendix 2, attached to this Report.

Following the Evidence Days, Members of the Task & Finish Group met to review the evidence and formulate draft recommendations.

In addition, written evidence was received from a variety of sources. Details are shown in Appendix 3 to this Report.

This Report reflects only the evidence found during the Review; it does not attempt to be a complete analysis of the topic. As agreed by the Economy and Regeneration Overview and Scrutiny Committee at its meeting on 5<sup>th</sup> September 2012, both the Review and the subsequent Report have focused particularly on the social housing sector.

## **6. EVIDENCE AND RECOMMENDATIONS**

### **6.1 The reforms within the remit of this Scrutiny Review**

The Scope document for this Scrutiny Review identified three areas of the reforms for further investigation:

Local Housing Allowance (LHA) and the shared accommodation rate in the private housing sector  
Local Housing Allowance (LHA) rates were reduced from April 2011. As a result, rates are calculated based on the cheapest third of rents in an area, as opposed to the bottom half. In the North West this translates to an average loss of £7 per week. In Wirral, the LHA rate for a three bedroom house was reduced from £595 to £550 per month.

The shared accommodation rate (SAR) restricts single households without child dependants in the private rented sector to enough Housing Benefit to rent a room in a shared house. It used to apply to young people aged under 25 years old. In January 2012, this was raised to 35 years old. Therefore, a single person aged under 35 years old is now eligible for the SAR rather than the LHA one bed rate. The Shared Accommodation Rate applies even if the claimant is unable to find shared accommodation. Limited exemptions apply for more vulnerable claimants who are not expected to share. The exemptions include formerly homeless people who have spent at least three months in a hostel and received support.

Under 35s affected by the loss of the SAR will lose an average of £28 per week in the North West. There is a large difference between the SAR and one bed LHA rate. In Wirral, the SAR is worth £64 per week, compared to £87 for the one bed LHA rate; a difference of £23 per week.

#### 'Benefit Cap'

A new 'Benefit Cap' means some tenants' housing benefit may be reduced if they receive a high level of State welfare benefits. This means certain tenants of working age with children or a spouse will have the Cap applied to ensure they receive a maximum of £500 in benefits and a single tenant can only receive up to £350 per week. This total will include all benefits not just housing benefit. The 'Benefit Cap' is based on the Department of Work and Pension's (DWP) underlying principle of welfare reform that people reliant on benefits should not receive a total that exceeds average earnings. This reform will be implemented on a phased basis with only four Local Authorities affected from April 2013; the remainder rolling out over the Summer period.

#### Under-occupation rule for tenants in the social housing sector

The Welfare Reform Act 2012 has introduced the Under-occupation rule to tenants renting in the social housing sector. From April 2013, all current and future working age tenants renting from a Local Authority, Housing Association or other Registered Social Landlord will receive Housing Benefit based on the need of their household. This means that working-age tenants in the social housing sector in receipt of Housing Benefit will experience a reduction in their benefit entitlement if they live in housing that is deemed to be too large for their needs. The main exception to this rule will be households who are not of working-age. Restrictions on entitlement to Housing Benefit based on the size of the accommodation occupied have long applied to claimants living in privately rented housing. However, this policy for the social housing sector is highly controversial and has been labeled by some as the "bedroom tax".

Under-occupation arises where a household lives in a property that is deemed to be too large for its needs. It is usually defined in terms of excess bedrooms. The classic cause of under-occupation is older tenants / couples remaining in their home after their children have grown up and left home. Family breakdown can also result in under-occupation.



The size criteria in the social housing sector allows one bedroom for each person or couple living as part of the household with the following exceptions:

- Children under 16 of the same gender are expected to share (for example, two brothers or two sisters);
- Children under 10 are expected to share regardless of gender (for example, a brother and a sister both aged under 10);
- A tenant with a disability (or their partner) who needs a non-resident overnight carer will be allowed an extra room.

Those who receive maximum Housing Benefit with one spare bedroom will lose 14% of their Housing Benefit and those with two or more spare bedrooms will lose 25%. Tenants who receive partial Housing Benefit will lose benefit on pro rata basis. On average, households under-occupying by one bedroom will lose £11 per week housing benefit and those with two or more spare bedrooms will lose £20 per week.

Most working age housing benefit claimants deemed to have a least one spare bedroom will be affected. This will include those people who:

- are separated from their partner but share the care of children but are not the 'main carer' for the child or children. Those who previously had an extra bedroom available for this will be affected;
- need an extra bedroom for medical equipment;
- keep a spare bedroom for an occasional visitor.

It had been expected that foster carers and families with adult children serving in the armed forces would also be affected by the reforms. However, on 12<sup>th</sup> March 2013, the Government announced that there would be some exemptions relating to both these groups. Further clarification from the Department for Work and Pensions is expected shortly.

## **6.2 The implications for tenants**

### The number of tenants affected by the Shared Accommodation Rate in the private sector

The Shared Accommodation Rate level which limits the maximum Housing Benefit / Local Housing Allowance (LHA) rate to that of a room in a shared house or flat with some limited exceptions was extended to single claimants under 35 yrs from the previous 25 year old limit. At 31 December 2012, 1,166 claimants in Wirral were affected by this restriction to the level of help they can have with their rent. Of these, 712 are over 25 years old. It is the latter group who are affected by the shared accommodation rate being extended to all those single claimants under 35 years old, the reform introduced from January 2012. In Wirral, claims for consideration of additional, temporary support through the Discretionary Housing Payment fund to ease the impact of the transition to a reduced benefit payment were invited from all claimants over 34 years of age. (Note that further details regarding the operation of the Discretionary Housing Payments system are available later in this Report – see page 19).

It is reported that there is insufficient shared accommodation in many parts of the country to house everyone subject to the SAR. This means many claimants are forced to rent more expensive self-contained accommodation and make up shortfalls from other income. There is concern that the under-35s reform is significantly affecting single males, particularly those who have access to children. If a single parent, as a result of the reforms, downsizes to a smaller property, it may become difficult for the children to stay overnight.

### The impact of the 'Benefit Cap'

The introduction of the Total Household 'Benefit Cap', currently to be set at £26,000 per annum (£500 per week) for families and couples and £18,200 per annum (£350 per week) for single claimants, will impact on some families in Wirral. As at the end of January 2013, the estimated numbers of those likely to be affected were 148 families in the private rented sector and 68 families in the social rented sector. The types of family most likely to be affected are typically those with a large number of children, with a larger property and a higher rent to pay. Exemptions will be applied for those households in receipt of certain disability benefits.

### The perception of under-occupation in the social housing sector

Research carried out by the Cambridge Centre for Housing and Planning Research (CCHPR) for the Housing Futures Network indicates that a substantial number of under-occupying households do not regard themselves as such. Their "spare" bedrooms are used by children (irrespective of age and gender) who have their own rooms. Spare bedrooms are used when children visit at weekends as part of a shared parenting arrangement. In addition, a number of couples sleep in separate bedrooms, often for medical reasons and rooms are also used for storing disability related equipment. All of these points were reiterated during the Evidence Days held for this Scrutiny Review.

The government has said that the reform is, in part, designed to make better use of social housing stock. A number of witnesses recognised the need to free up genuinely under-occupied homes for overcrowded families but argued that the required change could be better achieved through incentives.

It is expected that a significant number of households will not willingly move. Initial research by the Department for Work and Pensions (DWP) into the impact of the Local Housing Allowance (LHA) changes found households do not want to move and if they will consider it, they do not want to move far. Instead, many people plan to respond to housing benefit reductions by reducing essential and non-essential spending, borrowing or increasing their earnings where possible.

### Numbers of tenants affected in Wirral by the Under-occupation rule in the social housing sector

The Council's Housing Benefits team has identified 4,600 Registered Provider tenants who will be affected by the under-occupation rule. Of those, 3,600 are under-occupying by one bedroom; 1,000 under-occupying by two or more rooms. It is particularly difficult to estimate how tenants will react in

April when the housing benefit reductions (associated with the under-occupation rule) begin to be implemented. A survey of social housing tenants undertaken by a local social housing provider has indicated that 21% of tenants were interested in moving while 43% of tenants were not willing to move. Likewise, 43% of tenants indicated that they were willing to try to pay the charge whereas 13% were not willing to pay.

#### Availability of advice to tenants in the social housing sector

As stated above, the Council's Housing Benefits team has sent an explanatory letter and review form to all those tenants identified as potentially being affected. Concern was expressed among the Panel Members that, at the time of the Evidence Days, less than a quarter of the 4,600 forms had been returned. In addition, the Registered Providers are all making continued efforts to contact tenants via leaflets and personal contact. The tenants attending the Evidence Days confirmed that some advice had been received. However, there was further evidence of a significant number of tenants currently maintaining a 'head in the sand' attitude. It was considered by professional advice workers that the people most likely to encounter problems are those who are least likely to take budgeting advice. It was clear that further work was required to ensure that the implications of the reforms were better understood by tenants.

#### Personal impact of the reform on tenants in the social housing sector

It is apparent from the evidence provided during the Evidence Days that some individuals are finding the proposals traumatic which, in some cases, are creating extreme anxiety. Reduced income will cause increased hardship for tenants. The options available to tenants appear to include:

- Moving to a smaller property (if available)
- Reducing spending or increasing income
- Taking in a lodger
- Applying for support from Discretionary Housing Payments

One tenant described the options available as:

"Heat or eat or pay the rent"

For some tenants, barriers relating to moving house included the:

- availability of alternative, smaller accommodation;
- potential loss of local facilities that are familiar
- strong ties to the local community including the support of friends, neighbours and family. This is particularly important to more vulnerable tenants.
- financial cost of moving
- stress associated with the process

In addition, there is the emotional wrench of having to contemplate moving house, summed up by the phrase:

"It's not a house, it's a home"

During the Evidence Days, the shortage of one and two bedroom properties in Wirral's social housing sector was highlighted repeatedly. Consequently, the ability to downsize is seen as a real barrier for tenants even if they were willing to do so. This issue is covered in more detail later in this Report (see Section 6.3 – The implications for social housing providers).

In addition, there may be a consequence for some communities. The changes to Local Housing Allowance for private tenants and Housing Benefit for social tenants are likely to have impacts upon the extent to which people can afford to live in certain neighbourhoods. There may be movements to seek cheaper rental property or people downsizing to social housing that better meets their requirements without under-occupancy penalties.

### Taking in a lodger in the social housing sector

One way that tenants can potentially supplement their income and which may provide a partial solution for some tenants is to take in a lodger. Housing Benefit / Council Tax Benefit Circular A4/2012 makes it clear that, until Universal Credit is introduced, lodgers are allowed a room under the size criteria. The CIH (Chartered Institute of Housing) has prepared a document for social landlords entitled 'How to....support tenants to find a lodger'. Similar information has already been added to the Council's website. This will clearly not be an acceptable route for many tenants, although it may be to some.

### Evidence of hardship

Although clearly not resulting from the introduction of the under-occupation rule, there is already evidence of hardship. Shelter has reported that nationally almost one million people used a payday loan to pay their rent or mortgage in 2012. In addition, 2.8 million people used an unauthorised overdraft to help pay their rent or mortgage. The expectation of Shelter is that these figures are likely to rise during 2013. At a local level, there is evidence of an increase in homelessness for single people; the indicator being the usage of the Night Shelter. The 'No Second Night Out' protocol is in place in Wirral to support those people. That point is reinforced by Housing Options reporting that Wirral has witnessed an increase in homelessness which is faster than the national average. Likewise, Citizens Advice Bureau reported an increase in the caseload regarding benefit and debt problems, with most enquiries for advice coming from areas of high social deprivation. There was a perception that a consequence of the reforms will be that the most disadvantaged, who are often less able to support themselves, will suffer disproportionately. Among professionals, there is a fear of increased homelessness and family breakdown. A contributor concluded that:

"There will be unfortunate casualties".

A strong perception among witnesses was that problems will accumulate over time, with the biggest problems arising from "those who bury their heads in their hands". It was argued by a number of contributors that a significant number of tenants may be able to manage the rent increase arising from the under-occupation rule but the cumulative effect alongside other reforms will be far greater, resulting in difficulties in paying. Officers responsible for offering front-line support to the public considered that, in general, clients are not ready and many may not be able to cope.

### Discretionary Housing Payments (DHP)

Discretionary Housing Payments (DHP) are extra payments that can be made by a Local Authority to a claimant in order to help pay rent. (Until 31<sup>st</sup> March 2013, claimants could also previously apply for support with Council Tax payments). The payments can be allocated to people claiming benefit who need more help with their housing costs if these are more than the amount of benefit they receive. It is intended that the payments are only helping with short-term problems and are not intended to cover long-term situations with rent. Therefore, when the under-occupation rule is introduced in April 2013, benefit recipients will be able to claim for DHP for a transitional period.

The Government allocates funding to each Local Authority to be used for DHP on an annual basis, although any under-spend can be carried forward. The Government contribution to Wirral for 2012/2013 was £522,238. As at January 22<sup>nd</sup> 2013, only £58,000 remained unallocated. The Government contribution for 2013/2014 is £917,214. The increase is intended to reflect the expected increase in demand resulting from the introduction of further welfare reforms. In addition, the Government sets a permitted total DHP spend which enables Local Authorities to allocate additional funding to the DHP fund. However, this additional funding would have to be found from within the Council's own resources. The permitted total 2013/2014 DHP spend for Wirral has been set at £2,293,035. Therefore, in theory, the Council could allocate up to an additional £1,375,821 to the DHP fund if resources were available. In the past, Wirral has never spent more than the Government contribution and there is currently no budget to top-up the DHP fund. Therefore, at this stage, only the Government contribution of £917,214 has been allocated to Wirral's DHP fund for 2013/2014. The number of DHP applications received and considered during 2011/2012 was 1,063 whereas 1,128 applications have been received in respect of the current year, that is, 1<sup>st</sup> April 2012 up to 27<sup>th</sup> January 2013.

It is clear from the evidence before the Panel Members that demand for the DHP resources will continue to increase. Shelter has argued that, although the budget for DHP has increased, the additional spending will not be sufficient to support all households affected by the benefit reforms and Local Authorities will have to make hard choices about who they prioritise. As a response, the Panel Members suggest that clear criteria should be put in place to ensure that the resources are allocated as fairly as possible and the most deserving cases are recognised.

**Recommendation 1 – Criteria for the allocation of Discretionary Housing Payment**

The Strategic Director of Transformation and Resources is requested to ensure that, whilst every application will be considered on its individual merits, the allocation of Discretionary Housing Payment is based on well-defined and quantifiable criteria. The criteria should be defined by the identification of the most vulnerable groups. The criteria should be easily understood by clients, for example, based on a points system and should be available for all front-line staff in the Toolkit (see Recommendation 11).

Adaptations for tenants with disabilities living in the social housing sector

There is concern that disabled people living in specially adapted properties could be forced to move, requiring adaptations to be repeated at additional cost. Wirral Partnership Homes have reported that, for their stock alone, to fund the same adaptation work for a second time for tenants who have to move to smaller accommodation will cost in the region of £500,000. Even if WPH were able to do this work, there would be considerable inconvenience to vulnerable tenants. It is well argued that people with disabilities often need extra space for wheelchairs and other equipment or partners may need a separate bedroom for medical reasons. The Department for Work and Pensions (DWP) has responded by arguing that Local Authorities should avoid the need for such tenants to move by prioritising DHP funding for disabled people with significant adaptations.

The Panel Members were made aware that, in the past, Wirral Council has not used DHP to specifically ensure that people with adaptations are protected. The view was expressed by tenants that, if the tenant is in a heavily adapted property, people should be exempt from the payments or, as a minimum, receive additional support to remain in their property.

**Recommendation 2 – Tenants with disabilities**

Tenants living in properties with major adaptations and affected by the under-occupation rule should be treated as a high priority within the Discretionary Housing Payment criteria.

Foster carers living in the social housing sector

At the time of the Evidence Days, foster carers living in social housing and claiming housing benefit would have been adversely affected by the under-occupation rule. Foster children were not allowable in the under-occupancy calculation. Therefore, as an example, if a foster carer living in a three bedroom house is caring for two foster children, each occupying a bedroom, the family would be deemed to be under-occupying by two bedrooms and will face a reduction of 25% in the housing benefit received (if the family is receiving maximum housing benefit). Current indications show potentially 16 families in Wirral may be affected. Although relatively few in number, there was a fear among social care professionals that the introduction of the under-occupation rule may lead to a reduction in the number of foster carers due to the additional cost of providing an extra bedroom(s). As part of the application to become a foster carer, potential foster carers are always asked “Have you got a spare bedroom?” Therefore, the availability of spare bedrooms is a necessity in order to undertake the role.

It is also interesting to note that the Fostering Standards currently stipulate that any child over three should have a single room if they want to. STANDARD 10 of the 'Fostering Services: National Minimum Standards' published by the Department of Education states:

"In the foster home, each child over the age of three should have their own bedroom"

Clearly, there was a contradiction with the under-occupation rule.

The Panel Members had originally intended to propose that Wirral Council should develop a method of re-imbursement for the relatively small number of foster carers who would be adversely affected by the reform. However, on 12<sup>th</sup> March 2013, the Government has announced that approved foster carers will be allowed one room only for a foster child, although additional spare bedrooms may continue to attract the under-occupancy reduction. As an example, a single foster carer with four foster children will be assessed on the basis of needing two bedrooms.

The current advice is that, nationally, approximately 5,000 approved foster carers will be affected positively by this latest amendment to the under-occupation rule. They will be allowed an additional room as long as they have fostered a child or become a registered carer in the past 12 months. The Panel Members welcome this development but recognise that clarity is still needed to ensure that no foster carers are detrimentally affected by the under-occupancy reform.

### **Recommendation 3 – Foster carers**

The Strategic Director for Families and Wellbeing is requested to monitor any changes to the under-occupation rules specifically affecting foster carers. Should there be adverse effects on any foster carers, the Strategic Director is requested to consider the introduction of an additional monthly fixed fee, paid regardless of whether a child is in place, in order to offset the implications of the under-occupation rules for those foster carers affected.

### 6.3 The implications for social housing providers

#### The impact on Registered Providers as a business

The attendees from Registered Providers highlighted the possibility of increased bad debt arising from the implementation of the under-occupation rule. For Wirral Partnership Homes, with over 2,600 affected tenants identified, the average additional rent to pay is £717 per year. One contributor commented:

“There is a danger of the business being de-stabilised by bad debt, particularly for smaller organisations. If we do nothing about rent collection we will be de-stabilised”.

In order to mitigate risks, it will be necessary to reduce support services in order to provide more front-line services. However, it was also highlighted that the impact may be a “trickle” as individual debts slowly build up. It is expected that the Registered Providers will be forced to pursue liabilities in a “firm but fair” way.

In the future, it would be helpful if potential tenants were better advised on what they could afford regarding their housing costs prior to them applying for tenancies. It is suggested that the Property Pool Plus website could be enhanced to provide additional information to potential tenants.

#### **Recommendation 4 – Enhancements to the Property Pool Plus website**

The Strategic Director for Regeneration and Environment should consider the enhancement of the Property Pool Plus (PPP) website to ensure that a benefits calculator and other relevant information is available at the time when tenants are selecting and applying for properties.

#### Relationship with tenants and communities

Traditionally, Registered Providers have done a significant amount of work in order to strengthen communities within which they operate, for example, regarding health issues and worklessness. Reduced funding is now forcing the priorities for Registered Providers to be changed. The Registered Providers are being presented with real choices between core services as a landlord and other services. In the future, they will have to ensure investment in core services, such as collecting rent, ensuring an effective repairs and maintenance process and an extension of support and advice services to tenants. Therefore, inevitably, there will be an impact on the wider community. One representative of the Registered Providers suggested to the Panel Members that the Local Authority will need to lessen expectations regarding the contribution to communities. Similarly, the way that Registered Providers interact with tenants will change, for example, some may have to review the availability of local offices where usage is low.

#### Availability of smaller properties

The total number of one bedroom properties owned by Registered Providers in Wirral is 6,093. This represents 26.5% of the total stock of social housing. However, of that total, 296 are supported housing and 1,701 are sheltered accommodation. As an indication of turnover, during 2012, 510 one bedroom properties were let through Wirral Partnership Homes. Indeed, WPH have estimated that, assuming that under-occupied tenants are willing to consider moving, and they accept any one bed flat that they are offered, and no flats are offered to anyone on Property Pool Plus, it will take over five years to re-house those affected, given current vacancy rates.

There was also a shared perception among tenants that there is a shortage of smaller properties in the social housing sector and, therefore, there is a significant barrier towards them downsizing. One tenant informed the Panel Members that, when checking Property Pool Plus on a regular basis, only limited one bedroom properties are available. Furthermore, the properties that were available required a higher rent than the tenant’s current three-bedroom property. Although there are problems

with the availability of smaller bedroom properties, it may be possible to encourage some tenants to downsize. Therefore, the Panel Members are suggesting that further consideration should be given to the methods employed to promote the assistance and support available to tenants who may consider downsizing.

#### **Recommendation 5 – Downsizing Support**

The Strategic Director for Regeneration and Environment is requested to discuss with the Registered Providers whether a more joined-up approach could be employed regarding the marketing and promotion of downsizing services which are already available to tenants.

A further way in which under-occupying tenants may be encouraged to move property and downsize is to increase the priority of such tenants within the banding system on Property Pool Plus. The Government's *Allocation of accommodation: Guidance for local housing authorities in England* (June 2012) stresses the importance of authorities prioritising transfer applications from under-occupying tenants who are prepared to downsize:

“Authorities should consider the importance of giving social tenants who under-occupy their accommodation appropriate priority for a transfer. This will be important in light of the measure in the Welfare Reform Act 2012 which will reduce Housing Benefit entitlement for working age social sector tenants who under-occupy their property (measured in accordance with the Local Housing Allowance size criteria) from April 2013. Authorities should also consider whether there are other provisions that might make it more difficult for under-occupiers to move, such as a prohibition against tenants with minor rent arrears transferring, and the scope for removing or revising these in relation to under-occupiers”.

Under the current scheme, those applicants to Property Pool Plus who are deemed as ‘Under occupation’ are allocated to Band B (‘High Priority to Move’). The Panel Members considered that this was the appropriate priority for such tenants.

As a general point, the Registered Providers may need to reconsider the rule regarding the presence of arrears disqualifying a tenant from moving. In the future, it may become beneficial to allow tenants in arrears to become eligible for a transfer if it enables that tenant to downsize.

#### Plans for building more smaller units of accommodation in the social housing sector

The Registered Providers reported that little building of one bedroom accommodation has taken place for several years. The development programme is a long-term process, with plans for up to 30 years in advance. In the past, the view was that there were too many flats and, indeed, some unpopular bedsit flats have been demolished by a Registered Provider relatively recently. Now, the demand for smaller properties has suddenly increased and it is very difficult for the Registered Providers to respond quickly. The main aim for the Registered Providers is to provide a balance of mixed accommodation. The option of converting three bedroom properties into flats has been investigated by some Registered Providers. However, the cost of conversion did not represent value for money. It was recognised by some of the Registered Provider representatives that there needs to be a more flexible approach to the management and marketing of some unpopular properties.

#### Re-designation of rooms

A further potential response of Registered Providers is the re-designation of rooms. If there were, for example, a very small room such as a box room that the landlord called a bedroom, they might reconsider whether to count that room when deciding on the number of bedrooms that should be written into the tenancy, as well as on the rent associated with it. Therefore, a property could be re-designated, for example, from a three to a two bedroom property. It is reported that Knowsley Housing Trust is considering this approach for some of its properties. However, the Panel Members were informed that such an approach would reduce the income to the business. In Wirral, this did not appear to be an approach that will be widely employed.



A survey conducted by *Inside Housing* has indicated that a majority of the largest social landlords in England are not considering the reclassification of their properties:

“Out of 18 landlords contacted in a snap survey by Inside Housing, 13 said they were not planning to reclassify homes so tenants are no longer judged to have a spare room under the new rules, which come into effect next April. The resulting drop in rental income and concerns about existing loan agreements were cited as factors for not adopting the approach”.<sup>1</sup>

### Mutual Exchange

There is evidence that the Under-occupation rule is having an impact on tenants' behaviours as the number registered for smaller properties on Property Pool Plus have risen significantly. The Panel Members were informed that the ability to use Property Pool Plus to promote mutual exchanges has not yet been maximized. According to Property Pool Plus, 64 tenants have expressed interest but only two have been approved by Registered Providers. In these cases, the proposed exchange may have been refused if a tenant has not been paying rent or has not been a satisfactory tenant. It was suggested that more could be done to encourage mutual exchange, for example, by all tenants being written to in order to explain the process and the potential advantages.

### **Recommendation 6 – Promotion of mutual exchange**

The Strategic Director for Regeneration and Environment is requested to consider ways in which mutual exchanges in the social housing sector could be encouraged. This will include use of the Property Pool Plus.

### Social Overdrafts

Subsequent to the Evidence Days for this Scrutiny Review, some members attended a Welfare Reform Event, organised by Wirral Council in partnership with the DWP, Merseyside Local Authorities and other partners. The concept of Social Overdrafts was discussed. As an example, a tenant is 60 years old and has one year and five months remaining until she is not of working age<sup>2</sup>. Therefore, she will be subject to the Under-occupation rule for the next one year and five months. With the agreement of the Registered Provider, the tenant will pay what she can afford for the duration of those 17 months and the debt generated is converted into a Social Overdraft with the Registered Provider. Once she reaches the age when she is eligible for full Housing Benefit payments, she will continue to make overpayments until the debt is recovered. It was noted that such creative options may enable some tenants to remain in their homes and, in those cases, may also be cost-effective for the Registered Provider. The Panel Members propose that the concept of Social Overdrafts should be investigated further.

### **Recommendation 7 – The concept of Social Overdrafts**

The Strategic Director for Regeneration and Environment is requested to investigate the principles of Social Overdraft schemes and present those findings to the local Registered Providers.

<sup>1</sup> Inside Housing, 'Landlords do not plan to reclassify their homes' 1<sup>st</sup> June 2012

<sup>2</sup> For the purposes of Housing Benefit applicants, the definition of working age is anybody who is not of pension credit age (61 years and 5 months) or not part of a couple where one partner is of pension credit age.

## 6.4 The implications for the private housing sector

The implementation of the shared accommodation rate changes for tenants in the private sector were planned over a period of time. The Panel Members were informed that the private landlords planned ahead some time ago by starting to reduce the number of under-35 tenants who were in receipt of Local Housing Allowance. It is expected that this trend will continue. In general, representatives of the private housing sector expressed great concern for the future regarding the impact of the wider welfare reforms, particularly the introduction of Universal Credit. They predicted difficult times ahead with the potential for an increase in tenants unwilling or unable to pay rents, an increase in evictions and repossessions leading to a reduction in income for their businesses. Evidence suggested that there is reluctance by some private sector landlords to house some tenants because of the risk of non-payment of rent and the inevitable occurrence of arrears. It was also pointed out that private landlords are more willing to take tenants on benefits if there are direct payments to the landlord.

The welfare reform agenda in general, specifically where impacting on the private housing sector, has been a significant topic of interest at meetings of the Private Landlord Forum. The Panel Members were informed that these meetings are well attended, particularly at a time of reforms. However, given the large number of private landlords, the Panel Members support the continued dialogue with the private housing landlords. In addition, the Council has a responsibility to make landlords aware of their responsibilities, especially with regard to shared accommodation.

### **Recommendation 8 – Training programme for private landlords regarding benefit reforms**

The Strategic Director for Regeneration and Environment is supported in undertaking a training programme for private landlords to explain the changes and how prospective tenants will be affected. The holding of seminars regarding Houses in Multiple Occupation (HMOs) and regulations regarding shared accommodation is also supported.

It is widely anticipated, by both landlords and Council officers, that there will be a rise in demand from the under 35 year olds for bedsit-type accommodation in the private sector. It is predicted that those landlords operating in the private sector will see the opportunity to expand the number of smaller units. The consequence will be an increase in the numbers of Houses in Multiple Occupation (HMO) with landlords buying cheaper properties and converting them for shared accommodation and smaller units. From a Council perspective, this would lead to the necessity for an increase in the number of HMO property inspections. Indeed, the Housing Division is already reporting an increased workload for the HMO inspection team, with an increase in the number of self-contained flats and bedsit type accommodation.

### **Recommendation 9 – Monitoring of Houses in Multiple Occupation (HMOs)**

The Strategic Director for Regeneration and Environment should establish how the Council can better monitor illegal Houses in Multiple Occupation (HMOs) in order to ensure that enforcement action is taken.

In order to maintain standards in the private housing sector, the Landlords Accreditation scheme is operated. However, as the scheme is voluntary, only 28 landlords are currently members. Whereas those landlords who are members of the scheme welcome it, one landlord argued that many tenants are not aware of the scheme or its benefits. The Panel Members were told that some Councils, for example, Newham Council now operate compulsory accreditation schemes. It is understood that Liverpool City Council is considering the introduction of such a scheme.

There are also concerns regarding the impact that an expansion of HMOs could have on specific neighbourhoods, effectively changing the nature of the local community and causing tensions with existing residents. Some Councils have looked for solutions to try to prevent particularly intense concentrations of HMOs. As an example, Cheshire West and Chester Council has recently introduced planning restrictions that will prevent family homes from being converted into houses of multiple occupation in Chester's Garden Quarter without first applying for planning permission. Previously, landlords could convert family houses into bedsit accommodation for up to six people without the need for planning permission. The Council has now put in place an Article 4 direction which means that landlords will need to make a planning application to convert properties.

## 6.5 The implications for the Council and its Services

### Front-line services

It is anticipated that the welfare reforms, including the changes to the under-occupation rules, will have a significant input on the number of queries received by front-line staff, including the One Stop Shops. It was reported that the Conway Centre One Stop Shop has already seen an increase in the number of clients and that trend is expected to continue. In addition, for the future, the introduction of the 'Digital by Default' approach will make it harder to speak to a DWP adviser. This is likely to encourage more claimants, who are seeking advice, to attend the One Stop Shops. The Local Authority is likely to be seen as an alternative contact point. Panel Members were informed that only approximately 26% of tenants have their own access to the Internet.

A number of options for dealing with the increased demand for the Council's advice services are being considered:

- The possibility of providing additional resource "at front of house" by re-deploying staff from elsewhere
- Existing staff are being trained so that they have the appropriate knowledge
- The possible introduction of an appointments system or a triage system in One Stop Shops (but not at every site)
- The possible introduction of a messaging system on front of calls when received by the Call Centre, that is, an automatic push-button phone system in order to better manage phone calls
- Self-access terminals in the Conway Centre (as a response to the Universal Credit being Digital by Default)
- Creating Digital Champions in libraries
- The Citizens Advice Bureau will be co-locating into West Kirby One Stop Shop and holding surgeries in some One Stop Shops

The Panel Members fully support the approaches being taken to ensure that the front-line service is as efficient and effective as possible. The partnership working is of particular note. Such developments are encouraged for the future. The creation and expansion of Digital Champions in libraries is another initiative that the Panel Members fully endorse, alongside the Go ON Wirral<sup>3</sup> campaign with which the Council is currently engaged.

### **Recommendation 10 – Digital Champions in Libraries**

In order to further prepare for Digital by Default and support the aims of the Go ON Wirral campaign, it is proposed that the Strategic Director of Transformation and Resources should set a target for each library to recruit a minimum of five Digital Champions to provide support for clients. It is acknowledged that, at some of the smaller neighbourhood sites, this may not always be practical but is highly encouraged.

There are clearly concerns regarding resources and there may be limits to the number of clients who can be seen. Some of the specialist advice provided by, for example, the Welfare Rights advisers and the Housing Options advisers can be complicated and as legislation changes, the advisers need to continually update their knowledge. With reducing resources, the delivery of such advice becomes more difficult and waiting times may increase. A similar scenario applies to some of the Council's partners, such as the Citizens Advice Bureau.

For all front-line advisers, it is essential that training continues to be maintained. In particular, it is important that front-line staff are able to sign-post clients to the most effective service to meet their individual requirements.

<sup>3</sup> Go ON is a national campaign which is working to support the 8.1 million people in the UK (1 in 5 of the adult population) who have never used the internet.

### **Recommendation 11 – Toolkit for front-line staff**

The Strategic Director of Transformation and Resources is requested to ensure that all front-line staff in the Council have access to an online Toolkit of information to enable them to sign-post clients to the most appropriate advice-point regarding issues such as:

- Benefits advice
- Debt advice
- Budgeting skills
- Support with digital inclusion
- Avoiding expensive forms of finance
- Opening a bank account

The Toolkit should also be made available to voluntary, community and faith organisations where appropriate.

### Council Finances

The level of debt that arises in some households as a result of the under-occupation rule (and other welfare reforms) could have a direct impact on the Council's finances. As the level of Council Tax Benefit is due to be reduced from April 2013, all households will be responsible for paying a minimum of 22% of their Council Tax (although locally set criteria will continue to provide some additional support to pensioners and other households deemed as 'vulnerable'). It is likely, however, that some households will find it difficult to pay and the levels of debt to the Council may increase.

### Coordination & Communication

The Panel Members heard evidence from representatives of the local landlords, both in the social and private housing sectors, that there was a role for the Local Authority in communication and coordination of messages to residents. Clearly, the work that the Housing Benefits team is currently undertaking needs to continue, working alongside the landlords.

The direct payment of benefits to the claimant (rather than to the landlord) is likely to be linked to the introduction of the Universal Credit for the vast majority of claimants, as will the introduction of monthly benefit payments (as opposed to weekly payments). There is a cohort of tenants who have been on benefits for a long time and, therefore, in the past, have not directly paid rent. For some tenants, a major change in attitude towards paying rent will be needed. It is necessary to counter the view of a minority of tenants that "mobile phone costs are a higher priority than rent".

The Panel Members, therefore, suggest that pre-emptive action be taken with the Council working alongside landlords, both in the social and private housing sectors, in order to raise the profile of the importance of paying rent and, therefore, keeping a home.

### **Recommendation 12 – The importance of paying rent**

The Head of Neighbourhoods and Engagement should work in partnership with the Registered Providers and private landlords to promote the importance of tenants paying rent.

### Housing Needs Assessment

Section 6.3 above (The implications for the social housing sector) analysed the current supply of one bedroom properties and the impact that the under-occupation rule is likely to have on the demand for smaller properties. As the Council undertakes the Housing Needs Assessment for the Borough, the Panel Members request that such evidence is taken into account.

### **Recommendation 13 – The implications of the shortage of smaller accommodation for the Housing Needs Assessment process**

The Panel Members highlight the level of evidence relating to the shortage of smaller properties and request that this is taken into account by the Strategic Director for Regeneration and Environment during the Housing Needs Assessment process.

#### Future monitoring of the impact of the reforms

It is anticipated that some of the implications of the welfare reforms, of which the under-occupation rule is just a part, will take some time to develop and to become apparent. The reforms may also lead to some behavioural change. The Panel Members are, therefore, recommending that a follow-up review takes place in approximately 12 months' time (Spring 2014) in order to monitor the actual implications. It was suggested that this timescale would enable the Council and partners to gather statistical evidence to support the follow-up review.

#### **Recommendation 14 – Follow-up review of the impact of the reforms**

An Evaluation Impact Assessment regarding the effect of the reforms on under-occupation will be conducted by the Economy & Regeneration Scrutiny Committee (or successor committee) during Spring 2014 to assess the practical impact of the reforms.

## 6.6 The implications for other partner organisations and their clients

### Advice Services

It is extremely likely that demand for advice and support will increase, at least in the short-term. Some attendees at the Evidence Days expressed concern regarding the voluntary and community sector's ability to continue the level of advocacy services due to reduced finances. For instance, the Citizens Advice Bureau has a reputation for providing high quality advice on benefits, debt and welfare rights. In many instances, cases can be complex, being a combination of benefit, housing and debt problems, sometimes extending into relationship problems and changes in behaviour. However, the local organisation is currently losing funding and the number of paid advisers has been reduced. The case was made by some contributors that there is some scope to improve partner working in order to avoid duplication of services and to make the most effective use of resources.

### Ex-armed forces veterans

The Panel Members were informed that finding one bedroom accommodation is "really, really bad". As a result, armed forces veterans often find accommodation in deprived areas where unemployment is high. As a minimum, Post Traumatic Stress Disorder (PTSD) should be taken into account within the housing assessment process, although many veterans do not recognise that they need help and support. The Panel Members are suggesting that armed forces veterans, in recognition of their duty to the country and of the problems that many encounter in finding suitable accommodation, should be allocated as Band B on the housing waiting list (Property Pool Plus).

### **Recommendation 15 – The allocation of armed forces veterans on Property Pool Plus**

Armed forces veterans, by nature of their duty to the country, should be allocated as Band B on the housing waiting list system.

On leaving the services, the Panel Members were informed that many veterans feel that little support is available. They were informed that:

"When you join the forces no one teaches you how to budget. Now with the bedroom tax a lot of single lads will struggle. In the forces, you are used to things getting done for you".

Although charities such as Combat Stress<sup>4</sup> provide excellent local support, many ex-services personnel feel lacking in support. As a result, Wirral's Veterans Centre has been established with support from the Council.

### Supported Accommodation

Once in supported accommodation, there are limited options, particularly for young people, for moving on, both in terms of finding alternative accommodation and in finding employment. As an alternative, the Panel Members were informed that the providers of supported accommodation are increasingly looking at shared tenancies as a viable 'move-on' option. This involves the providers needing to identify who can live with whom and having to monitor relationships. Increasingly, this can involve providing support to people with mental health issues who are living in the community.

It has been concluded by the Panel Members that there may be scope for bringing organisations together to provide a framework for bringing back hard-to-let or empty properties into use. The idea of "self-repair" could be positive if supported by the Council and Registered Providers. There may be the potential for organisations such as temporary accommodation providers / hostels to act as a managing agency for properties on behalf of a Registered Provider for use as a move-on property. This may also be a productive option for groups such as the Veterans Centre, as has been the case with empty homes being put to use by a scheme in Burnley. During the Evidence Days, contributors urged the Council to act as a community leader in providing leadership to bring partners together and develop consortia-type solutions.

<sup>4</sup> Combat Stress is a mental health charity in the UK that helps ex-service personnel suffering from psychological injuries and mental health problems.

### **Recommendation 16 – Partnership working and self-repair projects**

The Council should act as a community leader to encourage the transfer of hard-to-let or empty properties to temporary supported housing providers or community organisations. Opportunities to support this should be explored through revenue finance/services from the Supporting People Programme or other relevant revenue funding streams. This support would help provide on-going housing management services so that vulnerable people could maintain tenancies. Consideration should also be given to creative ideas such as self-repair projects.

### Probation Service

The Probation Service informed the Panel Members that it is already difficult to find suitable accommodation for ex-offenders. The situation will be exacerbated by the introduction of the under-occupation rule. As an example, in the past, if there was a void in a two bedroom property, a client could be offered the tenancy. However, the Under-occupation rule will mean that they will now be less likely to move there. The Probation Service aims to move a client on from Approved Premises within three to six months. It was suggested that lower risk clients will struggle to access properties provided by Registered Providers and will, therefore, look to the private sector. HMOs are an increasingly likely option. However, some clients are not suitable to share accommodation and there are risk factors involved. The lack of suitable one bedroom accommodation is a major problem for this particular client group. One particular barrier for ex-offenders in finding accommodation is that 12 months' good behaviour has to be demonstrated in order to be eligible for a tenancy via Property Pool Plus. This cannot be achieved for a recent ex-offender. It was suggested that the system would be more flexible if it were "relevant convictions" that were taken into account.

### Schools and education

During the Evidence Days, contributors pointed out the need for individuals to be able to manage budgets. The introduction of Universal Credit with monthly (rather than weekly) payments and the withdrawal for many claimants of direct payments to landlords will all make personal financial management an even more important issue.

The provision of more education regarding financial management and budgeting, particularly for young people and especially in socially deprived areas, would be hugely beneficial. It is understood that some banks work specifically with schools and in the community to provide financial management training courses and managing household bills. It may be possible for this process to be expanded. There is also scope for voluntary and community groups, such as Christians Against Poverty, to make an important contribution in the wider community.

### **Recommendation 17 – Education regarding financial management and budgeting in schools**

The Strategic Director for Families and Wellbeing is requested to lead a dialogue with local schools to encourage increased provision of education regarding financial management and budgeting. The Schools Forum could provide a useful mechanism for this dialogue.

It is also hoped that Credit Unions will have a role to play, both in continuing to provide credit at competitive rates and providing other financial services to its members. Awareness-raising regarding Credit Unions in schools would be a helpful way of promoting financial management and budgeting skills.

### **Recommendation 18 – Credit Unions in schools**

The Strategic Director for Families and Wellbeing is requested to hold discussions with Wirral Credit Union regarding the possibility of Credit Unions being established in schools in order to promote education regarding financial management and budgeting.

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***This Report was produced by the Under-Occupation Scrutiny Panel (which reports to The Economy & Regeneration Overview & Scrutiny Committee)***



## Appendix 1: Scope Document for the Benefit Reforms and Under-occupation Scrutiny Review

Date: 26/10/12

Review Title: Relationship between Benefit Reforms and Under-occupation

<p><b>Scrutiny Panel Chair:</b> Cllr Mark Johnston</p>	<p>Contact details:</p>
<p><b>Panel members:</b> Cllr Denise Realey Cllr Jean Stapleton Cllr Mike Sullivan Cllr Janette Williamson</p>	
<p><b>Scrutiny Officer:</b> Alan Veitch</p>	<p>Contact details: 0151 691 8564</p>
<p><b>Departmental Link Officer:</b> Lisa Newman</p>	<p>Contact details: 0151 691 8197</p>
<p><b>Other Key Officer contacts:</b></p>	
<p><b>1. Which of our strategic corporate objectives does this topic address?</b> The Council's Corporate Plan 2012/13 includes the following statements:</p> <ul style="list-style-type: none"> <li>• We will respond effectively to the impact of welfare reform on the availability of and access to housing, including close partnership working with landlords in the borough. (A target in the Corporate Plan is to “Develop an action plan to respond to under-occupation in both the social and private rented sector by summer 2012”).</li> <li>• We will support those who are experiencing or who are at risk of homelessness and we will continue to work hard to improve access to advice and information about the housing options that local people have.</li> </ul> <p>In addition, it should be noted that the reforms have the potential to impact on a range of Corporate objectives, for example, Child Poverty, the Fostering Service and so on.</p>	

## **2. What are the main issues?**

The key purpose of this scrutiny review is to investigate the impact of changes to housing benefit and the welfare reforms specifically relating to under occupation in both the public and private housing sectors.

Key issues for the review will be:

- Impact of the introduction of the Housing Benefit Cap
- Impact of changes to the Local Housing Allowance, with special reference to the Shared Accommodation Rate for under-35s
- Allocation process for Discretionary Housing Benefit
- Impacts of the reforms relating to Under-occupation and how this affects households and communities
- Impact of the reforms on the Social Housing sector (Housing Associations)

Specific attention will be given to the impact of the reforms on issues such as:

- People who are separated from their partner but share the care of children but are not the 'main carer' for the child or children. Those previously allocated an extra bedroom for this will be affected
- Foster parents
- Children with disabilities or those who need an extra bedroom for medical equipment
- Social Housing Provider's rental income and ability to invest in Wirral
- Impact on HMO's (Houses in Multiple Occupation)
- Impact on homeless services in Wirral

Note: The following reforms are outside the scope of this review:

- Universal Credit
- Localised Council Tax Reduction Scheme

<p><b>3. The Committee’s overall aim/objective in doing this work is:</b>  Members have reported considerable public concern regarding the impact of changes to housing benefit and welfare reforms specifically relating to under- occupation in both the public and private housing sectors.  This review will investigate the steps which the Council and other partners are already planning to take and consider further actions that may be feasible in order to mitigate against some impacts of the reforms.</p>												
<p><b>4. The possible outputs/outcomes are:</b>  4.1 To understand the potential impacts of the reforms  4.2 Propose options to alleviate the negative impacts of the reforms  4.3 To understand whether joint work can be done with key partners</p>												
<p><b>5. What specific value can scrutiny add to this topic?</b>  Further scrutiny will give members the opportunity to assure themselves that the Council is taking all possible steps to lessen any negative impact of the reforms. Scrutiny will enable the experience of those directly impacted by the reforms to help identify any recommendations for changes. These recommendations will be referred to Cabinet.</p>												
<p><b>6. Who will the Committee be trying to influence as part of its work?</b>  6.1 Appropriate Cabinet members and Directors, Wirral Borough Council.  6.2 Partners of the Council, for example, Registered Social Landlords, Private Landlords, Police.</p>												
<p><b>7. Duration of enquiry?</b></p> <ul style="list-style-type: none"> <li>• The Scope document is due to be discussed / agreed at the meeting of the Economy &amp; Regeneration Overview and Scrutiny Committee to be held on 14<sup>th</sup> November 2012.</li> <li>• A Select Committee session(s) will be held during January 2013.</li> <li>• Additional evidence-gathering will take place in late-January and early February 2013, if necessary.</li> <li>• A report will be presented to the meeting of the Economy &amp; Regeneration Overview and Scrutiny Committee to be held on 7<sup>th</sup> March 2013.</li> </ul>												
<p><b>8. What category does the review fall into?</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Policy Review</td> <td style="width: 33%; text-align: center;">X <input type="checkbox"/></td> <td style="width: 33%;">Policy Development</td> <td style="width: 33%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>External Partnership</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>Performance Management</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Holding Executive to Account</td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> <td></td> </tr> </table>	Policy Review	X <input type="checkbox"/>	Policy Development	<input type="checkbox"/>	External Partnership	<input type="checkbox"/>	Performance Management	<input type="checkbox"/>	Holding Executive to Account	<input type="checkbox"/>		
Policy Review	X <input type="checkbox"/>	Policy Development	<input type="checkbox"/>									
External Partnership	<input type="checkbox"/>	Performance Management	<input type="checkbox"/>									
Holding Executive to Account	<input type="checkbox"/>											
<p><b>9. Extra resources needed? Would the investigation benefit from the co-operation of an expert witness?</b>  The review will be conducted by councillors with the support of existing officers. However, the panel are looking for advice from people with expertise on this topic, such as Shelter.</p>												

<b>10. What information do we need?</b>	
<p><b>10.1 Secondary information (background information, existing reports, legislation, central government documents, etc).</b></p> <ul style="list-style-type: none"> <li>• Relevant Government Departmental reports</li> <li>• Relevant national documents</li> <li>• Previous Cabinet / Scrutiny Committee reports</li> <li>• Briefing paper prepared by Lisa Newman (for meeting held 18<sup>th</sup> October 2012)</li> <li>• Centre for Public Scrutiny – Policy briefing on Welfare Reform, September 2012</li> <li>• Report based on research undertaken by Cambridge University</li> <li>• Reports from other Councils into similar topics, for example, Bristol Council</li> </ul>	<p><b>10.2 Primary/new evidence/information</b></p> <p>Interviews with key officers</p> <p>Interviews with affected tenants / residents</p> <p>Examples of good practice from other Councils</p> <p>Statistics for Wirral:</p> <ul style="list-style-type: none"> <li>• How many people currently get more than £26,000 in benefits (and will therefore be affected by the benefit cap)?</li> <li>• How many people aged under 35 are affected by the Shared Accommodation Rate?</li> <li>• What is the current and future budget Discretionary Housing Benefit?</li> </ul>

<p><b>10.3 Who can provide us with further relevant evidence? (Cabinet portfolio holder, officer, service user, general public, expert witness, etc).</b>  <b>The following will be invited to the Select Committee session:</b></p> <ul style="list-style-type: none"> <li>• Brian Simpson, Wirral Partnership Homes</li> <li>• Alan Hughes, Wirral Methodist Housing Association</li> <li>• Steve Newsham, Regenda Housing Association</li> <li>• Nigel Hughes, YMCA</li> <li>• Representatives of the Private Landlords Forum (x2)</li> <li>• Malcolm Flanagan, Housing Benefits, Wirral Borough Council</li> <li>• Citizens Advice Bureau (CAB)</li> <li>• Welfare Rights, Wirral Borough Council</li> <li>• Shelter</li> <li>• Sheila Khan, Fostering Service, Wirral Borough Council</li> <li>• A foster carer</li> <li>• Tenants representative (aged under 35)</li> <li>• Tenants from the social housing sector (x2)</li> <li>• Inspector Paul Vickers(or Inspector Chris Lucan-Pratt), Merseyside Police</li> <li>• Homelessness Team, Wirral Borough Council</li> <li>• HMO Team, (Homes of Multiple Occupation), Wirral Borough Council</li> </ul>	<p><b>10.4 What specific areas do we want them to cover when they give evidence?</b></p> <p><u>Social Housing Providers / Landlords</u></p> <ul style="list-style-type: none"> <li>• What is the impact of Under-occupation on your business plans?</li> </ul> <p><u>Housing Benefits</u></p> <ul style="list-style-type: none"> <li>• What are the criteria for allocating Discretionary Housing Benefit and how can this be used to help in alleviating the impacts of the reforms?</li> <li>• What is being done to raise awareness among those people affected?</li> <li>• Are you able to identify those clients who are affected?</li> </ul> <p><u>Welfare Rights / CAB / Shelter</u></p> <ul style="list-style-type: none"> <li>• What is the evidence of increasing hardship?</li> </ul> <p><u>Fostering</u></p> <ul style="list-style-type: none"> <li>• How will the reforms affect the fostering service?</li> <li>• How will the reforms affect the Council's ability to care for vulnerable children?</li> </ul> <p><u>Tenants / Residents</u></p> <ul style="list-style-type: none"> <li>• What is the impact of the reforms?</li> <li>• How likely are you to move and what are your prospects?</li> </ul> <p><u>Police</u></p> <ul style="list-style-type: none"> <li>• Do you have concerns regarding the benefit reforms?</li> <li>• How will your service be affected?</li> </ul> <p><u>Homeless Team</u></p> <ul style="list-style-type: none"> <li>• How has the reform affected the numbers who are presenting as homeless and how is that likely to change?</li> <li>• What is your ability to respond?</li> <li>• If a client is evicted, what is the cost of temporary accommodation?</li> </ul>
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**11. What processes can we use to feed into the review? (site visits / observations, face-to-face questioning, telephone survey, written questionnaire, etc).**

11.1 A Select Committee session(s) will be organised at Wallasey Town Hall. All listed witnesses (as in Section 10.3 above) will be invited to attend at a specified time throughout the day(s).

11.2 Desktop analysis / research

**12. In what ways can we involve the public and at what stages? (consider whole range of consultative mechanisms, local committees and local ward mechanisms).**

It is estimated that 3100 households in the social housing sector alone will be affected by these reforms. Therefore, a general call for evidence is likely to lead to a large number of responses. As a result, a more targeted approach is proposed.

12.1 A small number of tenants will give evidence during the Select Committee session.

12.2 A targeted questionnaire may be possible

12.3 Advocacy agencies such as Welfare Rights and CAB are invited to represent the views of their clients.

## Appendix 2: Attendance List for the Evidence Days

### Day 1 15<sup>th</sup> January 2013

Witness	Organisation
<b>Session 1A – Public Sector</b>	
Rob Young (Rob has been leading some cross-Merseyside work on related issues)	Chief Executive, Helena Housing (St Helens)
Brian Simpson	Chief Executive, Wirral Partnership Homes
John Mycock	Assistant Director of Housing, Wirral Partnership Homes
Alun Hughes	Chief Executive, Wirral Methodist Housing Association
Steve Newsham and Karen Murphy	Regional Director, Regenda Housing Association
Neil Townsend	Divisional Director, Riverside Housing Association
Tenants from social housing sector – Mr & Mrs Millership Ms Grant Mr & Mrs Proudlove	Tenants – Social housing sector
Jean Robinson	Tenants Representative, Wirral Partnership Homes
Ms Davis and Ms Davis	Tenants– Social housing sector
<b>Session 1B – Private Sector</b>	
Helen Evans (Roberts Estates)	Chair, Private Landlord Forum
Graham MacMaster (MacMaster Properties)	Representative, Private Landlord Forum
Nigel Hughes	Chief Executive, YMCA
Emma Foley	Private Sector Housing Manager, Wirral Borough Council
Sheila Khan plus Foster carers: Mr & Mrs Nall Michelle Laing	Fostering Service, Wirral Borough Council

**Day 2**22<sup>nd</sup> January 2013

Witness	Organisation
<b>Session 2A – Benefits and advocacy</b>	
Malcolm Flanagan	Head of Service, Housing Benefit, Wirral Borough Council
Nicky Dixon	Benefits Manager, Wirral Borough Council
Brian Buckley	Welfare Rights, Wirral Borough Council
Julie Williams	Manager, One Stop Shops, Wirral Borough Council
Kieran Littler	Citizens Advice Bureau, Wirral
<b>Session 2B – Impacts on specific Clients</b>	
Catherine Green	Manager, Rehousing Services, Wirral Borough Council
Sheila Jacobs	Supported Housing Joint Commissioning Manager, Wirral Borough Council
Sharon Reddy	Merseyside Probation Service
Barney Redmond	Wirral Veterans Centre

In addition, written evidence was submitted by:

- Jo Cutler, Service Manager, Shelter, Merseyside
- Inspector Chris Lucan-Pratt, Merseyside Police
- Ms. Lynn Gardner (Social Housing sector tenant)



## Appendix 3 References

Reference Documents included the following:

Report of the Acting Director of Housing, Planning and Regeneration, 'Responding to Under Occupation in Wirral', presented to Economy and Regeneration Overview & Scrutiny Committee, Wirral Borough Council, *8<sup>th</sup> March 2012*

Report of the Director of Adult Social Services, 'Welfare Reform', presented to Health & Wellbeing Overview and Scrutiny Committee, Wirral Borough Council, *5<sup>th</sup> November 2012*

Report of the Interim Director of Housing, Planning and Regeneration, 'Update on transfer of Choice Based Lettings Service from Wirral Homes to Property Pool Plus', presented to Economy and Regeneration Overview & Scrutiny Committee, Wirral Borough Council, *16<sup>th</sup> January 2013*

Report of the Interim Director of Finance, 'Welfare Reform Update', presented to Council Excellence Overview and Scrutiny Committee, Wirral Borough Council, *30<sup>th</sup> January 2013*

Various, Department for Work and Pensions website (including 'Housing Benefit size criteria in the social rented sector')

'Housing Benefit size criteria restrictions for working age claimants in the social rented sector from 1 April 2013', Housing Benefit and Council Tax Benefit Circular – HB/CTB A4/2012, Department for Work and Pensions, *July 2012*

'Managing the impact of Housing Benefit reform', National Audit Office, *26<sup>th</sup> October 2012*

'Discretionary Housing Payments', Wirral Borough Council website

'Application for Award of Discretionary Housing payment for people who get Housing Benefit and / or Council Tax Benefit', Wirral Borough Council website

Various, National Housing Federation website

Examples of leaflets distributed by Registered Providers to tenants

Briefing Paper provided by the House of Commons Library, 'Under-occupation of social housing: Housing Benefit entitlement', *December 2012*

Briefing Paper provided by Housing Department, Wirral Borough Council, 'Impact of Welfare Reform on under-occupancy', *October 2012*

Briefing Paper provided by Chartered Institute of Housing, 'How to... support tenants to find a lodger', *January 2013*

Briefing Paper provided by Shelter, 'Welfare Reform impacts – Wirral', *January 2013*

'An Analysis of Wirral Under-occupation', Wirral Partnership Homes, *January 2013*

'Welfare Reform – Support Information for Wirral Scrutiny Panel Members, The Regenda Group, *January 2013*

Policy Briefing Paper 19, 'Welfare Reform', Centre for Public Scrutiny, *September 2012*

Scrutiny Inquiry Report, 'Welfare Reform', Leeds City Council, *February 2013*

Quality of Life Scrutiny Commission, 'Report from the Inquiry Days on Housing and Welfare Reforms', Bristol City Council, *January 2012*

Housing & Social Care Scrutiny Panel, 'Review to consider the impact on the rented housing market of Welfare Reform proposals', Portsmouth City Council, *June 2012*

'Housing benefit: Foster carers and armed services exempted from changes', BBC website, *12<sup>th</sup> March 2013*

'Tenants' rent arrears soar in pilot benefit scheme', BBC website, *12<sup>th</sup> March 2013*

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## Equality Impact Assessment Toolkit (from May 2012)

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

**EIA lead Officer:** Michael Callon

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

**Head of Section:** Michele Duerden

**Chief Officer:** Kevin Adderley, Strategic Director

**Department:** Regeneration & Environment

**Date:** 11/04/2013

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

**Implementation of the Under Occupation Rule. This is a Phase 1 EIA undertaken at the point of the Scrutiny Review being reported to Economy & Regeneration Scrutiny Committee. A Phase 2 EIA will need to be completed pending the decision of Cabinet in respect of the recommendations of the Scrutiny Review. It is at this stage that timescales and resource implications will be included.**

### **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**

**Economy and Regeneration Overview and Scrutiny Committee 22<sup>nd</sup> April 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.

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
Tenants under occupying in Social Housing and/or in receipt of Housing Benefit	The under occupation rule will have a negative impact resulting in either a reduction in housing benefit or the upheaval of having to change accommodation with its associated financial and emotional costs. As such, there is particular concern for the most vulnerable tenants and the recommendations from the review reflect this and are translated into the proposed actions. The potential impact on particular protected groups i.e. those on low incomes or with a disability is referred to in the full scrutiny report to be considered by the Economy and Regeneration Overview and Scrutiny Committee on 22 <sup>nd</sup> April 2013. <a href="http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=530&amp;MId=3909&amp;Ver=4">http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=530&amp;MId=3909&amp;Ver=4</a>	The allocation of Discretionary Housing Payment should be based on well-defined and quantifiable criteria focussing on the most vulnerable groups and easily understood by applicants.  Disabled tenants living in properties with major adaptations should be treated as a high priority within the Discretionary Housing Payment criteria.	Strategic Director of Transformation & Resources          Strategic Director of Transformation & Resources		

		Changes to the under occupation rules specifically affecting foster carers should be monitored. Consideration should be given to introducing an additional monthly fixed fee to foster carers, paid regardless of whether a child is in place to offset the cost of the under occupation rule for those foster carers affected.	Strategic Director of Families and Wellbeing.		
Social Housing Providers	The under occupation rule will have a negative impact increasing the risk of some tenants falling into arrears with rental payments and requiring an increase in resources towards debt management and recovery.	<p>Consideration be given to ways in which mutual exchanges in the social housing sector can be encouraged.</p> <p>Discussions are undertaken with Registered Providers to determine whether a more joined-up approach could be employed regarding the marketing &amp; promotion of downsizing services which are already available to tenants.</p> <p>Consideration be given to the enhancement of the Property Pool Plus (PPP) website to ensure that a benefits calculator and</p>	<p>Strategic Director for Regeneration &amp; Environment</p> <p>Strategic Director for Regeneration &amp; Environment</p> <p>Strategic Director for Regeneration &amp; Environment</p>		

		<p>other relevant information is available at the time when tenants are applying for properties.</p> <p>Armed forces veterans should be allocated as band B on the PPP website.</p> <p>The Council should work in partnership with Registered Providers and Private Landlords to promote the importance of tenants paying rent.</p> <p>The principles of social overdraft schemes are investigated and the findings presented to Registered Providers.</p>	<p>Strategic Director for Regeneration &amp; Environment</p> <p>Head of Neighbourhoods and engagement</p> <p>Strategic Director for Regeneration &amp; Environment</p>		
The Council	<p>The under occupation rule will have an impact on the Council's services and the level of resources required to deliver those services in a number of areas. A range of actions are recommended to address areas where Council services are likely to experience more demand and where preventative activity may reduce demand further downstream.</p>	<p>All front line staff have access to an on-line toolkit of information to enable them to sign post clients to the most appropriate advice point for support.</p> <p>Training is offered to private landlords to explain the changes and how tenants will be affected. This should include Houses in Multiple Occupation and</p>	<p>Strategic Director of Transformation &amp; Resources</p> <p>Strategic Director for Regeneration &amp; Environment</p>		

		<p>regulations for shared accommodation.</p> <p>Adequate monitoring and enforcement action is taken to prevent establishment of illegal Houses in Multiple Occupation.</p> <p>In order to further prepare for Digital by Default and support the aims of the GO ON Wirral campaign, it is proposed a target is set for each library to recruit a minimum of five digital champions to provide support for clients.</p> <p>The Council leads a dialogue with local schools to encourage increased provision of education regarding financial management and budgeting. The Schools Forum could provide a useful mechanism for this dialogue.</p> <p>Discussions are held with Wirral Credit Union regarding the possibility of Credit Unions being established in schools in</p>	<p>Strategic Director for Regeneration &amp; Environment</p> <p>Strategic Director of Transformation &amp; Resources</p> <p>Strategic Director of Families and Wellbeing.</p> <p>Strategic Director of Families and Wellbeing.</p>		
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		<p>order to promote education regarding financial management and budgeting.</p> <p>The Housing Needs Assessment process takes account of the shortage of one-bedroom properties.</p> <p>The Council should act as a community leader to encourage the transfer of hard-to-let or empty properties to organisations such as the YMCA and the Veterans Centre with supporting finance from the Supporting People Project. Consideration should also be given to creative ideas such as self-repair projects.</p> <p>An evaluation regarding the impact of the under occupation rule be conducted by the appropriate Overview &amp; Scrutiny Committee during spring 2014.</p>	<p>Strategic Director for Regeneration &amp; Environment</p> <p>Strategic Director for Regeneration &amp; Environment</p> <p>The Head of Policy &amp; Performance / Director of Public Health.</p>		
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**Section 5a:** Where and how will the above actions be monitored?

These actions are aligned to the outcome of the Under Occupation Rule Scrutiny Review. Subject to Cabinet approval of the recommendations of the Economy and Regeneration Scrutiny Committee, responsibility for monitoring the implementation of these actions will rest with the scrutiny committee.

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

N/A

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

A detail scrutiny review has been undertaken which has included both primary and secondary research sources.

**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?**

Consultation has been undertaken as part of the Scrutiny Review process. Relevant officers and departments have been consulted on the contents of the final scrutiny report.

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

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

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

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

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## WIRRAL COUNCIL

### CABINET

13<sup>TH</sup> JUNE 2013

<b>SUBJECT:</b>	<b><i>ADOPTION REFORM GRANT</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>DIRECTOR OF CHILDREN'S SERVICES</i></b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 This report details how the local authority proposes to improve the recruitment and assessment of adopters and reduce delay in adoption in Wirral using the government Adoption Reform Grant for 2013/14.

1.2 The Adoption Reform Grant for 2013/14 is in two parts. Part A is non-ring fenced and not time limited. The purpose of the grant is to provide support to local authorities towards expenditure lawfully incurred or to be incurred by them.

Part B is ring-fenced to addressing recruitment of adopters and has to be spent by 31<sup>st</sup> March 2014. We are required to spend this one off grant on adoption services. A condition of this grant is that local authorities are required to write to the Department of Education providing details of what the grant was spent on and the impact that this expenditure had.

1.3 It is proposed that part of Wirral's allocation of the ring-fenced grant contributes to a regional collaborative recruitment initiative as well as updating local recruitment material and processes. In addition it is proposed to provide additional social work staff on a fixed term basis to undertake the assessments of the increased number of potential adopters that result from the recruitment campaign, a family finding social worker and an adoption process development officer to embed the delivery of new processes and systems.

1.4. In order to promote a cultural change in social work practice so that plans for permanency including adoption are initiated at the earliest opportunity when a child comes into the care of the local authority it is proposed that Wirral's allocation of the funds provided by Part A of the Adoption Reform Grant, £520,452, are used to procure additional resources to develop social work skills. It is proposed to provide additional time-limited social work capacity to develop concurrent planning and fostering for adoption, reviewing all permanency plans for current children in care and additional assessment capacity in the adoption team.

1.5 In addition to the reform grant this report proposes equalisation of inter-agency and inter-authority fees. In Wirral this will mean increasing inter authority fees to £27,000 which is approximately twice the amount currently paid. This is in line with the

recommendation from SOLACE, ADCS and the LGA in order to promote adoption nationally to being a more realistic cost for the recruitment and assessment of adopters. This also cites as one of the Governments priorities within the grant guidance.

## **2.0 BACKGROUND AND KEY ISSUES**

### **National picture**

- 2.1 The government is focusing on reform of the adoption system in England in order to address the backlog of children awaiting adoption, particularly in developing innovative ways of finding adoptive families for children who traditionally wait longer than average to be adopted. The Government is also supporting wider improvements in the functioning of adoption services. They have identified increasing adopter recruitment and approval capacity as a priority whilst also recognising the need to make the system more supportive and responsive to potential adopters and adoptive families.
- 2.2 The national estimate for the shortfall in adopters as reported in 'Further Action on Adoption' and based on Ofsted national data set returns shows that there is a need nationally for more than 600 additional adopters each year to keep up with the growing number of children waiting to be adopted. In England the number of children with an adoption decision waiting to be placed has increased by 33% from 31 March 2010 to 31 March 2012, of which the proportion of those waiting 21 months or longer to be placed has increased by 7 percentage points.
- 2.3 The government published the 'Action Plan for Adoption: Tackling Delay', followed by 'Further Action on Adoption' which detailed their proposals for seeing "more children being adopted by loving families with less delay". Following the publication of these documents the government introduced the Children and Families Bill which if passed will:-
- Require local authorities to consider 'fostering for adoption' placement as soon as the local authority thinks that adoption is a possible outcome for the child
  - introduce personal budgets to provide support for adoptive families;
  - create a new power for Ministers to drive an increase in adopter recruitment by requiring outsourcing if necessary.

### **Wirral Council's allocation of funds**

- 2.4 Wirral Council's allocation for the non ring fenced Adoption Reform Grant (Part A) is £520,452. The government allocated the fund using the Sure Start model which is based on a mixture of the population under 5, deprivation and sparsity to allocate the money. 65 per cent of the grant is based on population, 30 per cent on deprivation and 5 per cent on sparsity. An area cost adjustment was also applied to account for the differing costs of inputs in different local authorities.
- 2.5 Wirral Council's allocation for the ring-fenced Adoption Reform Grant (Part B) is £151,420 for 2013/14 and was based on the number of children placed for adoption and the number of children with an adoption decision still waiting to be placed for adoption in Wirral.

### **Wirral adoption recruitment current position**

- 2.6 On Wirral at the 31<sup>st</sup> March 2013 there were 42 children with an adoption decision for whom an adoptive family is being sought. Of those 42 Wirral children, family finding for 2 children has been ongoing for 1 month, for the majority of children, family finding has been ongoing for between 5 to 10 months and 2 children family finding has taken more than 20 months. The children's ages range from 0 to 9 years, with the oldest children taking the longest to find adopters. Since 31<sup>st</sup> March 2013, a further 9 of these 42 children have been matched with adoptive families.
- 2.7 6 adopters approved by Wirral Adoption Service are waiting to be matched with Wirral children. During 2012/13, 26 prospective adoptive families were approved as suitable to adopt, with the majority of them being matched with children within a few months of their approval. Currently there are 23 prospective adoptive families at different stages of being assessed as to their suitability.

### **Wirral Adoption Diagnostic**

- 2.8 Following the publication of the adoption scorecard the government awarded local authorities an Adoption Improvement Grant with the objective of improving performance, particularly in relation to the time between a child entering care and being adopted and the linked performance relating to the recruitment of adopters. Within Wirral this grant has been spent between January and March 2013 to fund an adoption diagnostic and related training and staff development.

The diagnostic made a number of suggestions for improvements to reduce delay these suggestions have informed the proposals set out in this report to spend the adoption reform grant.

### **Plan to spend Adoption Reform Grant (Part B)**

- 2.9 A key area for development both locally and nationally is the recruitment of prospective adopters in order to keep pace with the increasing demand. There is a plan that would enhance the existing recruitment work already in place.
- 2.10 It is proposed to develop a marketing campaign regionally to raise the profile of adoption and provide prospective adopters with information on how to contact adoption agencies. The North West has established collaborative working at regional and 'cluster' level to look at developing a pooled budget with a top-slice of between 5% and 15% from each local authority's allocated Adoption Reform Grant (Part B). The pooled budget would provide resources in terms of staffing, marketing materials, out of hours contact centre and website development and maintenance. The details of the activities provided for the top slice are:-
- North West Adoption website to provide basic information, an enquiry point and online profiles of any children (not solely 'hard to place') referred to the website with consent to 'publicise' from parent/court.
  - High profile marketing campaign with television, radio and Facebook delivered with commissioned provider(s). TV, radio and digital advertising would include 'call to action' to regional website, telephone number, text (SMS) service
  - Enquiries and initial visits handled by a social work-led regional 'Adoption Recruitment' team then allocated to a Local Authority or Voluntary Adoption Agency for preparation and assessment.

- Out of hours telephone enquiries handled by a commissioned call centre provider
- Adoption support bonus for each Local Authority or Voluntary Adoption Agency referring adopters to the Charms database who are then matched with North West child/children (not own Local Authority). Each agency will receive £1,500 to facilitate investment in adoption support services locally.

The expected benefits of this collaborative approach are:-

- development of an innovative approach to recruitment across the region
- reduction in competition between local authorities and voluntary adoption agencies
- a central point for initial contact, including out of hours, to ensure potential adopters are not missed
- a regional social work led 'Recruitment Team' that allows for timely and consistent professional judgement at point of enquiry/initial visit.
- a regional allocation system to ensure adopters are able to be allocated to a Local Authority or Voluntary Adoption Agency where capacity exists- linked to their preferences.

- 2.11 In addition to this regional campaign the existing Council adoption recruitment material and website would need to be updated in order that it reflects the current support available to prospective adopters.

In recent years the council has had some success in the area of foster carer recruitment. A part of this success has been based upon the use of the Council Call Centre in taking initial enquiries. This allows for calls to be taken from 8.30am to 5pm and then an answer machine will either take a message or direct callers to an online enquiry form. In order to enhance the adoption recruitment process the department would wish to expand this service to include adoption enquires. This development would provide support for local interest generated as a part of the regional marketing campaign.

- 2.12 The number of prospective adopters will increase due to the additional marketing activity proposed. The diagnostic identified the need to reduce delay in finding adoptive families for children. In order to meet this increase in demand additional capacity in the adoption service is required.

- 2.13 The Adoption Team have also identified a requirement to review the current systems and processes within the team in order to reduce delay and provide clarity regarding specific roles. It is therefore proposed that a fixed term adoption process development officer post be established with the specific remit of reviewing the systems and roles within the team and developing these in order to bring clarity and reduce delay.

#### **Plan to spend Adoption Reform Grant (Part A)**

- 2.14 There is a need to change the culture and practice in social work in relation to early identification of plans for permanence, in all its forms including adoption. The high numbers of looked after children in Wirral needs to be reduced and one way of achieving this is by ensuring that children have a plan for permanence with the



minimum delay. There will be a focus on securing permanence through discharge of care orders where there is a clear plan.

- 2.15 It is therefore proposed that the department procure organisational development capacity to help reduce the number of looked after children, strengthen social work practice in this area and develop the skills of fieldwork Social Workers in relation to adoption and permanence. Due to the nature of this work some aspects may continue to be delivered after March 2014, which may require this grant to be spent beyond the year end.
- 2.16 The additional capacity will be provided through commissioning a project that will provide leadership in the reforms required and will include costs of administrative support, equipment and staff.

### **3.0 RELEVANT RISKS**

- 3.1 Delay in adoption reduces the likelihood of successful adoptions and has a severe impact on the health and well being of individual children. Nationally, regionally and locally there is a shortfall in the number of potential adopters for the number of children whose plan is adoption. Without immediate action being taken there will be a large number of children who will remain in the care of the local authority unnecessarily rather than securing permanence with a family. A short term investment through the use of the Adoption Reform Grant will reduce the cost longer term of children being in care in both in monetary terms and resources provided in social work time.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 The government have made no commitment at this stage for this grant to be continued beyond 2013/14, therefore the focus in the use of the grant is to address the identified immediate need in Wirral to recruit more adopters and have the resources for the assessment and approval process. In addition it is proposed to use the grant to change the culture and practice in social work to promote permanence and to set systems and processes in place to ensure that improvements are embedded for the future. No other options have been considered for the Adoption Reform Grant B as this is ring-fenced to expenditure for addressing adoption recruitment. The local authority does have flexibility for how the Adoption Reform Grant A is spent, however the government's expectation is that the funds are used to transform local adoption services. As Wirral Council's current performance for the adoption scorecard demonstrates that the time taken for adoption is considerably longer than the England average and the national target it is proposed that the Adoption Reform Grant is spent on improving social work practice in planning for adoption.

### **5.0 CONSULTATION**

- 5.1 The government set up an expert working group comprising key partners from across the adoption sector to help redesign and speed up the process from initial enquiry through to assessment which are summarised in [An Action Plan for Adoption: Tackling Delay](#) (published in March 2012). The proposals in this report are part of the implementation of the governments action plan on adoption.

## 6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 The regional collaboration includes working with Voluntary Adoption Agencies. Wirral Council has commissioned 'After Adoption' to provide post adoption support which will continue for the period of their contract.

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

7.1 Wirral Council has been awarded £671,900 of Adoption Reform Grant for 2013/14. This is included within the Budget for 2013/14.

7.2 The Grant comprises two parts and the suggested uses for 2013/14 only are:-

Adoption Reform Grant (Part A which is not ring-fenced)

To be used for	£
Reform Project commissioning	250,000
Court costs	65,000
Call Centre to take initial contacts	5,000
Meeting existing spend pressures	200,452
Total	520,452

Adoption Reform Grant (Part B which is ring-fenced)

To be used for	£
Regional Marketing Campaign	22,700
Adoption Recruitment Material and Website Improvement	8,720
Assessment Social Work	47,000
Family Funding Social Work	47,000
Adoption Process Development	26,000
Total	151,420

7.3 All staffing costs would be fixed term one-year contracts with the opportunity for them to be filled through re-deployment within the council. The other costs would also be one-off costs

## 8.0 LEGAL IMPLICATIONS

8.1 Changes are required in the delivery of the adoption service as a result of the implications of the Children and Families Bill.

## 9.0 EQUALITIES IMPLICATIONS

9.1 An equality assessment was completed on 23rd August 2012 for the impact of actions being taken by Wirral Adoption Service to address delay in adoption, see link [EIA Adoption Scorecard](#) . The proposals in this cabinet report are a continuation of the previous proposed actions and therefore there is no requirement for a further equality impact assessment.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 None

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

11.1 There is a need to have a clear strategy to recruit sufficient adopters for the children who need an adoptive family.

## **12.0 RECOMMENDATION/S**

12.1 Members agree the proposals as detailed in the report to develop adoption recruitment and family finding to be funded from the Department for Education Adoption Reform Grant 2013/14 Part B.

12.2 Members agreed the proposals as detailed in the report to improve social work practice in securing permanence for looked after children to be funded from the Department for Education Adoption Reform grant 2013/14 Part A.

12.3 The inter-agency adoption fee charged to other agencies is increased to the national recommendation of £27,000.

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

13.1 All local authority adoption services are required by government to make improvements in the recruitment of adopters and generally reduce delay in adoption. This report proposes to provide additional resources in terms of staff and marketing both internally and through regional collaboration using the funds from the Adoption Reform Grant.

**REPORT AUTHOR:** **Simon Garner**  
**Children and Young People's Department**  
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## **APPENDICES**

None

## **REFERENCE MATERIAL**

[Further Action on Adoption](#) (published January 2013), Department for Education

[An Action Plan for Adoption: Tackling Delay](#) (published in March 2012), Department for Education

[Adoption Scorecards](#), Department for Education, November 2012

[Children in care and adoption performance tables](#) Department for Education, November 2012

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Children and Young People Overview and Scrutiny	11 <sup>th</sup> September 2012
Children and Young People Overview and Scrutiny	6 <sup>th</sup> June 2012
Children and Young People Overview and Scrutiny	21 <sup>st</sup> March 2012
Children and Young People Overview and Scrutiny	20th September 2011
Children and Young People Overview and Scrutiny	26th January 2011
Children and Young People Overview and Scrutiny	2nd June 2010
Children and Young People Overview and Scrutiny	17 September 2009

## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Ann Bannister

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

**Head of Section:** Simon Garner

**Chief Officer:** Julia Hassall

**Department:** Children and Young People

**Date:** 8<sup>th</sup> May 2013

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

**Adoption Reform Grant proposed expenditure.**

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

Yes Children and Young People's Cabinet 13<sup>th</sup> June 2013

The proposals in the report to Cabinet are a continuation of the actions to reduce delay in adoption as detailed in the previously published EIA for [Adoption Scorecard](#)

**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?**

Through a CYPD adoption task force of key stakeholders

**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?**

National publications and performance data.

[An Action Plan for Adoption: Tackling Delay](#) (published in March 12), Department for Education

[Adoption Scorecards](#), Department for Education, May 12

[Children in care and adoption performance tables](#) Department for Education, May 2012

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

Yes

If 'yes' please continue to section 8.

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

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



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

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

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

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

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

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## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT:</b>	<b>2014/15 TARGETED INFORMATION, ADVICE AND GUIDANCE SERVICE FOR YOUNG PEOPLE NOT IN EMPLOYMENT, EDUCATION AND / OR TRAINING AGED 16 TO 19 (AND UP TO 25 IF SUBJECT TO A LEARNING DIFFICULTY ASSESSMENT)</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CHILDREN'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>CLLR TONY SMITH</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report presents Cabinet with options and recommendations for the commissioning of a targeted information, advice and guidance (IAG) services for young people from 1<sup>st</sup> April 2014. The current contract and service commenced 1<sup>st</sup> April 2010 and has included annual service reviews. The service is presently delivered by Greater Merseyside Connexions Partnership (GMCP). The current contract with GMCP expires 31<sup>st</sup> March 2014; therefore consideration needs to be given to options for delivering and commissioning a new 2014/15 service.
- 1.2 The current contract was commissioned by Halton Borough Council in partnership with the other five Liverpool City Region (LCR) Local Authorities (LAs). The service is a targeted careers information, advice and guidance (CEIAG) service, specifically for those young people who are not in employment, education and / or training (NEET) or at risk of becoming NEET and those who are identified as vulnerable.
- 1.3 The National policy landscape has changed significantly, during the life of this contract, and the current service reflects that. The 2013/14 service delivery is more flexible, delivered on a peripatetic basis and has evolved to be more aligned to the Council access strategy. However, in planning for a 2014 redesign of the service greater consideration needs to be given to the young people's Participation (Raising of the Participation Age 2013 for young people aged 17 and 2015 for young people aged 18) and Youth agenda's.
- 1.4 This paper details proposed approaches to the delivery of information, careers information, advice and guidance (CEIAG) for young people aged 14 to 19. The 14-19 Team are seeking permission to take forward the following recommended approach:-
- i. Continue with a LCR LA led approach to jointly commission a Participation and Engagement Service, as a response to the Council's

new statutory duty in respect of Raising of the Participation Age 2013 and 2015.

- ii. Develop a LCR LA shared data tracking and monitoring software system commissioned by a lead LA. A Client Case Software System (CCIS) is required to make the monthly statutory data returns to the Department for Education.
- iii. Re-configure the 14-19 Team to locally manage the LCR shared data tracking system, provide reports and quality assuring the rigor / robustness of the data.

## 2.0 BACKGROUND AND KEY ISSUES

2.1 The responsibility for the delivery of CEIAG changed with the passage of the Education Act 2011 with schools, colleges and providers becoming responsible for the delivery of IAG to their learners.

2.2 DfE has issued guidance that “local authorities will retain their statutory duty to encourage, enable or assist young people’s participation in education or training”. Although there is freedom and flexibility on how local authorities fulfil their statutory duties; they are expected to have regard to the following guidance when organising services:

- Tracking and supporting young people; monthly reporting to DfE using the Client Caseload Information System (CCIS). This must report on numbers of young people NEET and whether young people have secured an offer of education or training.
- Work with JobCentre Plus to ensure that NEET young people receive a complementary package of support.

2.3 There is no expectation that local authorities provide a universal careers service; schools commenced their duty in September 2012. There is an expectation that schools will work with local authorities to ensure that vulnerable young people receive the support that they need.

2.4 The 2014/15 services will need to also reflect duties under Raising of the Participation Age legislation; consideration needs to given to how the Council meets its duty to encourage, enable and assist young people into learning.

2.5 Current services commissioned and / or directly delivered as part of the Council’s provisions to meet its current statutory duties include:-

Service Areas	Commissioned / Direct Delivery	Statutory Duty
(A) Provision of a web based interactive portal ( <a href="http://www.merseyinteractive.com">www.merseyinteractive.com</a> ). A skills and careers information based resource for all Wirral young people.	Commissioned on a two year basis. The service provider is U-Explore.	LA duty to encourage, enable and assist young people in to learning.
(B) Education Quality (EQ) additional traded – Provision	Licences to run the Kudos and U-Explore careers and	LA duty to encourage, enable and assist young

of careers, information and advice support for secondary schools.	skills guidance software commissioned by the 14-19 Team on behalf of the schools. 1:1 support and training delivered by the 14-19 Team for designated teachers.	people in to learning.  Schools / Academies duty to provide a universal careers service for their pupils from year 9 to 13 (September 2013).  (See LGA Wirral Good Practice Case Study)
(C) Provision of a targeted careers information, advice and guidance service for NEET, vulnerable and young people at risk of disengagement.	Commissioned in partnership with the LCR LAs – Halton BC are the framework contract holder and each LA has its own service specification.	Department for Education (DfE) produced for LAs states that Early Intervention Grant should be used to support vulnerable young people to engage and to intervene early with those at risk of disengagement.  LAs also have a duty to support and ensure all young people have an offer of a place in education or training in September.
(D) RPA / NEET data tracking and monitoring service; monthly reporting to DfE using the Client Caseload Information System (CCIS).	Commissioned in partnership with the LCR LAs – Halton BC are the framework contract holder and each LA has its own service specification.	LAs have a duty to track and support all young people

2.6 The purpose of this paper is to consider approaches for commissioning service areas (C) and (D) only in 2014/15 and make recommendations.

### 3.0 2014/15 Targeted Careers Information, Advice and Guidance Service - Commissioning Options

3.1 As referenced in paragraph 1.1, the current LCR contract with GMCP expires on 31<sup>st</sup> March 2014. A new service will be required to be commissioned for delivery from 1<sup>st</sup> April 2014. Service delivery options will, again, need to be aligned to the changes in legislation and duties imposed on the Local Authority, specifically meeting the challenge of Raising of the Participation Age 2013 and 2015.

3.2 As a LA we therefore have an opportunity to procure services in a way that that better meets the statutory duties outlined in paragraph 2.2. When considering service areas (C) and (D) there is the opportunity to procure independently or through a partnership approach dependent on local requirements. An analysis of the relative strengths and weakness of the various approaches has been considered and is illustrated in Appendix 1.

- 3.3 Since 2012/13 the 14-19 Team have worked with the commissioned provider to progressively change and align the service to changing National policy and meet the needs of Wirral young people. This period of time has enabled the 14-19 Team to model and test various approaches whilst assessing impact. The most successful service changes made over the last two years include:-
- i. Transforming the mix of commissioned staff roles and competency levels from GMCP – a greater focus on learner engagement and participation has been demanded rather than a formal and rigid careers service structure.
  - ii. Shift to peripatetic for advisors; of which, a greater proportion are now working out in our communities with mobile technology.
  - iii. Move away from the LA paying the provider for stand-alone high street premises to a greater alignment with the Council's access strategy through shared premises. The service now uses community venues (Youth Hubs), One Stop Shops and library facilities with more flexible service times.
  - iv. Overall service staff numbers have been reduced; in particular those connected to back office functions.
  - v. Greater use of and access to NEET data supporting greater collaboration and partnership working with training providers and the local further education colleges.
- 3.4 Increasing the effectiveness and efficiency of the service year to date, as detailed in paragraph 3.3, has yielded significant financial savings to the LA whilst improving the quality of service delivery to Wirral young people. Between 2011/12 and 2013/14 the budget for this service has been reduced by £1 million; however, 2012/13 demonstrated the LAs best ever performance against National Indicator (NI) 117. NI 117 is concerned with the mean percentage of young people, age 16 to 18, who are NEET between November and January in any given year.
- 3.5 The soon to be published 2013 NI 117 figure is 7.46% which is an improvement of 1.5% against the 2012 published figure. In addition learning rates for young people aged 16 to 18 are also the highest recorded at 84.0% (March 2013). This is a recorded improvement of 2.5% against the same period in 2012.
- 3.6 The overall value of the LCR GMCP contract (led by Halton BC) has reduced year on year as far as is possible. Reductions to the LCR LAs contract with GMCP since 2010 equate to -26% (-£9.6 million). In 2014/15 further changes to the design of the service are required to meet future challenges, particularly those posed by the Raising of the Participation Age in 2013 and 2015 and youth unemployment rates. From September 2013 it is expected that all young people will be engaged in some form of education, employment or training (EET) until the end of the academic year in which they turn 17. This is followed in 2015 with the expectation that all young people will participate in EET until at least their 18<sup>th</sup> birthday.
- 3.7 Proposed refinements, following extensive service modelling and testing, required to the young peoples engagement and IAG service area specifications (C) include:-
- i. Service delivery team to be re structured and focused with new a role and remit. Service to see the emergence of a Participation Advisor role who's job it would be to target young people aged 14-19 at risk of disengagement or those NEET. **The key objective for the team of Participation Advisors**

**will be to maximise and increase levels of participation, achievement, progression and retention in learning.**

- ii. Stronger focus on peripatetic service delivery – intensive delivery out in the community to include 'door knocking'.
- iii. Increased focus on supporting and the re-engagement of young people NEET rather than offering / delivering pure CEIAG.
- iv. Reduced numbers of formal high cost level 6 CEIAG professionals reflecting the new duties on schools to provide structured CEIAG for all pupils from year 9.
- v. Retain a small, fit for purpose, flexible professional CEIAG service for those young people requiring an intensive 1:1 service.
- vi. Provide targeted support for those young people in schools / academies aged between 14 and 16 identified as possible high risk NEET using LA Risk of NEET Indication (RONI) Tool.

3.8 The 16-19 Data Hub will deliver the following enhanced service:-

- i. Local Council Officer access to the CCIS reporting system.
- ii. Reports informed by instant real time data.
- iii. Local customisation of reports to meet immediate business need.
- iv. Will enable closer quality management of face to face service delivery by Council officers.
- v. Improved data sharing amongst key partners.

3.9 Options for delivery of service areas (C) and (D) in 2014/15 include:-

<b>Service Areas</b>	
<b>(C) Participation Service</b>	<b>(D) 16-19 Data Hub</b>
1) Work in partnership with other LCR LAs to jointly commission a participation advisor service from a single external agency.	1) Access a shared service delivered by a lead LCR LA. Shared service to include direct access to a CCIS compatible software data system necessary to enable statutory DfE data returns to be made.
2) Wirral to independently commission, via the Chest, the services of a provider that can deliver the service specification.	2) Wirral to independently commission, via the Chest, a fully hosted CCIS software system that can make the necessary CCIS returns to the DfE.
3) Look to build capacity within the Council's existing youth services to deliver the service.	3) Wirral to independently commission, via the Chest, the services of an external provider that can deliver the service specification.

#### **4.0 RELEVANT RISKS**

- 4.1 There is potential risk that during early 2014/15 the NEET and Not Known rates may increase as the new CCIS system is embedded any technical hitches are addressed. It is also recognised that there will be a CCIS system training requirement for the commissioned Participation Advisors out in the local community venues.
- 4.2 To mitigate against any potential impact following a move to a shared LA commissioned software system, Halton BC have been and continue to trial approaches and models; as detailed in their Raising Participation Age Tracking and Monitoring Project.

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

- 5.1 The services required must be re-commissioned due to the current service contract finishing 31<sup>st</sup> March 2014 with no option to extend.

#### **6.0 CONSULTATION**

- 6.1 Not applicable

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

- 7.1 In 2014-15 the Participation Service will continue to recognise and sign post young people to Voluntary, Community and Faith Group services and provision as appropriate.

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

##### **8.1 Financial**

Costs associated with the services are still to be finalised; however, outline costs will work to deliver efficiencies given the Council's current and future financial pressures. In 2013/14 the value of the GMCP contract is £1,070,000 whilst the overall current Council budget for CEIAG services is £1.5 million.

##### **IT**

No direct implications arising from this report

##### **Staffing**

There will be the requirement to offer a new role(s) linked to the 16-19 Data Hub; there is a potential for this demand to be met through the reconfiguration of the 14-19 Team.

##### **Assets**

No direct implications arising from this report.

#### **9.0 LEGAL IMPLICATIONS**

- 9.1 There may be a requirement under TUPE to transfer the existing GMCP Wirral aligned data officer.

#### **10.0 EQUALITIES IMPLICATIONS**

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

(a) Yes and impact review will be published on the web site, hyperlink below.



## 11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are no direct Carbon usage implications arising from this report

## 12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no direct planning or community safety implications arising from this report

## 13.0 RECOMMENDATION/S

13.1 Recommendations include the following:-

<b>SERVICE AREAS</b>	
<b>(C) Participation Service</b>	<b>(D) 16-19 Data Hub</b>
<b>Work in partnership with other LCR LAs to jointly commission a participation advisor service from an external agency.</b>	<b>Access a shared service delivered by a lead LCR LA. Shared service to include direct access to a CCIS compatible software data system necessary to enable statutory DfE data returns to be made.</b>

## 14.0 REASON/S FOR RECOMMENDATION/S

14.1 Recommendations made in paragraph 13.1 have been for the following reasons:-

- i. A new service specification is required to ensure the Council can deliver against its statutory duty's and the changing policy landscape.
- ii. The 16-19 Data Hub service will allow Council Officers direct access to real time key statistical data relating to Wirral young people aged 16 to 19 (and up to 25 if subject to a learning difficulty assessment).
- iii. Enable the LA to control the data that monitors the performance of services to young people, rather than leaving that with an external provider that may be delivering services to young people.
- iv. Officers can direct the service strategically in line with objectives according to business need and new government policy (e.g. Raising Participation Age).
- v. Longer term cost benefits associated with shared infrastructure with other LCR Councils to deliver and make CCIS returns to the DfE.

**REPORT AUTHOR: Paul Smith**  
**Manager 14-19 Strategy**  
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## **APPENDICES**

Appendix 1: An analysis of the relative strengths and weaknesses associated with approaches to delivery of a Participation Service and a 16-19 Data Hub.

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

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet</b>	<b>May 2012</b>
<b>Cabinet</b>	<b>12<sup>th</sup> January 2012</b>
<b>Cabinet</b>	<b>2<sup>nd</sup> June 2011</b>
<b>Cabinet</b>	<b>3<sup>rd</sup> February 2011</b>
<b>Cabinet</b>	<b>15<sup>th</sup> October 2009</b>
<b>Appendix 1 – Invitation to submit best and final offer (BAFO) evaluation report</b>	
<b>Appendix 2 – Wirral Core Services</b>	

## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Paul Smith

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

**Head of Section:** Vivian Stafford

**Chief Officer:** Julia Hassall

**Department:** Children and Young People

**Date:** 9<sup>th</sup> May 2013

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

The Council commissioned service being assessed is the delivery of a new targeted careers education information, advice and guidance service. The service is specifically for young people aged between 16 and 18 who are either vulnerable and / or at risk of becoming NEET.

The service will commence 1<sup>st</sup> April 2014 and will be delivered by a Liverpool City Region Local Authority shared service.

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

Yes / No

If 'yes' please state which meeting and what date

13<sup>th</sup> June 2013.....

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

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

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

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

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

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

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

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

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

**Section 5:**

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

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

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

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
Race, Religion and belief	Young people unable to access the service.	Make use of local access points for the delivery of the service.  Any identified barriers to access have been assessed and local planning takes account of these. The service is aligned to the Council Access Strategy.	Paul Smith	January 2014	None
Gender	Need ensure full access and engagement of all eligible young people.	Ensure that the marketing and communications plan promotes the service to all young people	Paul Smith	April 2014	None
Disability	Negative if young people with a disability are unable to gain access to use the service.	The service will be predominantly delivered from the Council's One Stop	Paul Smith	April 2014	None

		<p>Shops and Libraries which have enabled access for disabled people.</p> <p>Check that the service provider makes any materials available in different languages and formats.</p>	Paul Smith	February 2014	None
Pregnancy and maternity	Negative if young people are unable to gain access to use the service.	<p>Provide a service which includes peripatetic personal advisors who are agile workers.</p> <p>Ensure appropriate access either locally or remotely to ensure pregnant young people can engage and access the service.</p>	Paul Smith	May 2012	None

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

Actions will be monitoring on a monthly basis using the borough NEET figures, with a specific focus on the vulnerable groups.

The contract will be formally monitored by the Strategic Service Manager on a quarterly basis. Addition operational monthly meetings will also take place between GMCP and the Council 14-19 Strategy Manager to address any immediate issues or concerns.

Additional activity will include quality assurance activity, for example, termly mystery shopping exercise, young people interviews and survey etc...

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

**There should be no impact because we believe in taking the service out in to community venues will enable better access for young people and less reliance on transport and associated costs.**

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

- Borough statistics for those young people aged 16-18 not in employment, education and / or training (NEET). Specifically geographical hotspots.
- Demographic information.
- Analysis of access and proximity for delivery centres.
- Consideration of protected characteristics groups by geography.

**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:**

The approach being taken to the delivery of this service builds upon the practices which have been tried and tested during the 2012/13 and 2013/14 financial years.

(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?

**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?



## APPENDIX 1.

An analysis of the relative strengths and weaknesses associated with approaches to delivery of a Participation Service and a 16-19 Data Hub

### Approaches for Commissioning a 14-19 Participation Service

#### Independently Commission a Participation Service externally via the Chest

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Existing service provider already has legacy agreements in place with education and training providers should they tender and be successful.</li> <li>An independent IAG service will work better across Schools, Academies, Free Schools, Colleges and providers in the 'new IAG market'.</li> </ul>	<ul style="list-style-type: none"> <li>New data sharing agreements would be required between LAs and every provider and school across the Greater Merseyside SRG</li> <li>Issues with data access arrangements, particularly with sensitive information for vulnerable groups given LAs sharing personal data about young people not in their LA</li> <li>Limited opportunity for the LA to develop the CCIS system further using existing readily available datasets from within the LA (e.g. KS4 results matching in anticipation of DfE KS4/5 Progression Measure Performance Tables publication)</li> <li>Potential TUPE implications.</li> </ul>

#### Local Authority Lead Jointly Commission a Participation Services

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Joint LA working and associated cost savings.</li> <li>Centralised LA service could facilitate greater flexibility and potential movement of staff between LAs during busy periods.</li> <li>An independent IAG service will work better across Schools, Academies, Free Schools, Colleges and providers in the 'new IAG market'.</li> <li>Potential for shared infrastructure with other LCR LAs to deliver and make CCIS returns to the DfE.</li> <li>Greater potential to develop the CCIS system and enrich the data collected.</li> </ul>	<ul style="list-style-type: none"> <li>Change in tracking process may increase % Not Known and NEET temporarily.</li> <li>Possible loss of service during transition from current contract arrangements.</li> <li>Changes established staff links within current IAG provider by removing Tracking service.</li> <li>Potential TUPE implications linked to previous supplier.</li> </ul>

### Approaches for Commissioning a 16-19 Data Hub Service

#### Independently Commission a 16-19 Data Hub Service externally via the Chest (including software and staffing)

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Existing service provider already has legacy agreements in place with education and training providers.</li> </ul>	<ul style="list-style-type: none"> <li>New data sharing agreements would be required between LAs and every provider and school across the Greater Merseyside SRG</li> </ul>

	<ul style="list-style-type: none"> <li>• Issues with data access arrangements, particularly with sensitive information for vulnerable groups given LAs sharing personal data about young people not in their LA</li> <li>• Limited opportunity for ad hoc reporting and data analysis.</li> <li>• Lack of opportunity for the LA to develop the CCIS system further using existing readily available datasets from within the LA (e.g. KS4 results matching in anticipation of DfE KS4/5 Progression Measure Performance Tables publication)</li> </ul>
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**Local Authority Lead Jointly Commission a Participation Services (software only)**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Instant access to and ownership of all data and management information.</li> <li>• Intelligence to strategically commission youth service provision based on hard data.</li> <li>• Centralised LA service can reduce duplication of datasets in LAs.</li> <li>• Using existing provider returns reduces duplication of provider data processing.</li> <li>• An independent data service will work better across Schools, Academies, Free Schools, Colleges and providers in the 'new IAG market'.</li> <li>• Officers can direct the service strategically in line with objectives according to business need and new government policy (e.g. Raising Participation Age).</li> <li>• MI and performance reports can be tailored for local need and datasets produced for LAs and partner agencies.</li> <li>• Potential for shared infrastructure with other LCR LAs to deliver and make CCIS returns to the DfE.</li> <li>• Opportunities for joint LA working and associated cost savings.</li> </ul>	<ul style="list-style-type: none"> <li>• Change in tracking process may increase % Not Known and NEET temporarily.</li> <li>• Possible loss of service during transition from current contract arrangements.</li> <li>• Changes established staff links within current IAG provider by removing Tracking service.</li> <li>• CCIS dataset may record only minimum requirements for DfE submissions though would retain the potential for full recording and reporting on young people if required.</li> <li>• Potential TUPE implications linked to previous supplier.</li> </ul>

**Independently Commission a Participation Services (software only)**

<ul style="list-style-type: none"> <li>• Instant access to and ownership of all data and management information.</li> <li>• Intelligence to strategically commission youth service provision based on hard data.</li> <li>• Officers can direct the service strategically in line with objectives according to business need and new government policy (e.g. Raising Participation Age).</li> <li>• MI and performance reports can be tailored for local need and datasets produced for LAs and partner agencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Change in tracking process may increase % Not Known and NEET temporarily.</li> <li>• Cross boarder tracking issues to due tracking system compatibility issues.</li> <li>• Potential for increased manual data matching processes needed to monitor those young people moving outside of the borough – tracking the unknowns.</li> <li>• Possible loss of service during transition from current contract arrangements.</li> <li>• Changes established staff links within current IAG provider by removing</li> </ul>
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<ul style="list-style-type: none"><li>Limited potential cost saving.</li></ul>	<p>Tracking service.</p> <ul style="list-style-type: none"><li>CCIS dataset may record only minimum requirements for DfE submissions though would retain the potential for full recording and reporting on young people if required.</li><li>Potential TUPE implications linked to previous supplier.</li></ul>
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## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT:</b>	<b><i>PENSBY/STANLEY SCHOOLS CO-LOCATION PROJECT – FINANCIAL POSITION</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>PENSBY AND THINGWALL</i></b>
<b>REPORT OF:</b>	<b><i>JULIA HASSALL DIRECTOR OF CHILDREN’S SERVICES</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>CLLR TONY SMITH</i></b>
<b>KEY DECISION?</b>	NO

#### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to inform Members pursuant to Contract Procedure Rule 16.1.2 that the contract awarded for the construction of the new schools for Pensby Primary and Stanley Special School has been increased by £1,037,960. The additional costs relate to £716,264 for construction costs and an additional £321,696 for costs associated with demolition, specialist equipment and hire of temporary accommodation.

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 On 3 February 2011 Cabinet (minute 312 refers) accepted the most advantageous tender by Wates Construction for the construction of the new joint Pensby Primary School and Stanley School building, to be co-located on the existing Pensby Primary School site. The scheme would be built in two phases – Phase 1 consisting of Pensby Primary School and part of the central hub containing the school hall, plant room, kitchen and staff facilities. This phase was opened for staff and pupils in May 2012. Phase 2 consists of Stanley Special School and the remaining hub which houses the specialist swimming and hydrotherapy pools, sports hall and other specialist resource rooms. This phase is still on site with an expected completion date of July 2013. The special school will open to pupils in September 2013.

2.2 The contract for the construction works was awarded on 22<sup>nd</sup> June 2011 to Wates Construction. The form of contract used is the New Engineering Contract, NEC Option C, incorporating a negotiated target cost. This is a nationally recognised standard form of contract widely used on major building and other construction projects. Based on a partnering philosophy, this is the preferred contract for schemes procured through the North West Construction Hub (NWCH). The contract allowed the scheme to be progressed quicker than other options, which was necessary in order to meet tight DfE timescales for Capital spend.

2.3 It was acknowledged at the time of contract award (Cabinet 3 February 2011 refers) that detailed design of phase 2 i.e. the special school was still required and as such an estimated cost for these works was given. In June 2012 it became apparent that project costs were going to exceed the approved scheme, for the following reasons:

1. The construction costs for the special school exceeded the scheme estimate
2. There was a requirement for a new electrical sub-station for the site
3. Adverse weather

An initial financial risk of £300k was reported to Cabinet on 21<sup>st</sup> June 2012 which related to the provision of a sub-station to the school site. Following this report, a submission by Wates indicated that in addition the detailed design stages were also producing an indicative increase to the scheme of £1.7m. A rigorous value engineering exercise was introduced which resulted in savings of £1.1m from changes to the specification of materials, a reduction in floor space of the school and simplified swimming and hydrotherapy design. Whilst both the basic footprint of the school and detailed internal designs of Stanley School were modified in order to bring the scheme within an affordable cost, the new building will still result in an excellent teaching and learning environment supporting pupils with complex and challenging needs.

- 2.4 Design changes were discussed and agreed with the headteacher and Governors of the school. At the time of writing this report, the anticipated final amount due to Wates Construction under the contract stands at £11,832,724 which is an increase of £716,264 or 6.4% above the original target cost of £11,116,460 for construction costs. These figures are subject to final account.

### **3.0 RELEVANT RISKS**

- 3.1 Poor weather and any unforeseen construction changes do remain a risk to the completion of the construction phase. The current Stanley school site will not be decommissioned until the new building is ready for occupation.
- 3.2 As in all contracts additional risks or costs could be raised by Wates Construction. Weekly risk management meetings are being held to monitor and mitigate against the effects of any further potential increases to the project costs.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 The technical variations and scope changes agreed by the Project Manager were necessary for the successful delivery of the contract. The particular technical options chosen were deemed to represent best value for the council following a risk-based and cost-based review of various alternatives.

### **5.0 CONSULTATION**

- 5.1 Consultation was undertaken between the design team and the school to ensure that changes to the scope of works would not affect the quality of educational provision.

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

- 6.1 There are no implications for voluntary, community and faith organisations in the subject matter of this report.

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

- 7.1 The resources for this scheme were identified from two main Capital streams: the national Primary Capital Programme and the national (targeted Capital allocation for Special Educational Needs (both of these initiatives have now ended). Balances

remaining in these two budgets plus contributions from the two schools' delegated budgets, Council Capital and uncommitted CYP Capital Grant will enable the additional resource requirements of £1.1m for the scheme to be met.

Target Costs at February 2011	£11,116,460 Construction, IT & furniture £ 1,383,540 Fees Total: £12,500,000
Resources at February 2011	£ 6,000,000 Primary Capital Programme £ 6,500,000 Targeted Capital (SEN) Total: £12,500,000
Costs at June 2013	Phase 1 Construction (actual) £5,214,724 Phase 2 Construction (target) £6,618,000 £ 1,705,236 demolition, hire charges, fees, Total: £13,537,960
Resources at June 2013	£ 6,209,374 Primary Capital Programme £ 7,015,577 Targeted Capital (SEN) £ 108,009 CYP Capital Grant £ 120,000 Council Capital £ 85,000 School Contributions Total: £13,537,960

7.2 ICT provision is included in the costs reported above. There are no additional IT, staffing or asset implications.

## 8.0 LEGAL IMPLICATIONS

8.1 There are no legal implications.

## 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.~~

(b) No because there is no relevance to equality.

~~(c) No because of another reason which is~~

## 10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no carbon usage or other environmental implications related to the subject matter of this report.

## 11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 Planning consent is not relevant to the subject matter of this report.

11.2 There are no community safety implications relevant to this report.

## 12.0 RECOMMENDATION

12.1 That Members note the content of this report.

## 13.0 REASON FOR RECOMMENDATION

13.1 Contract Procedure Rules 16.0 refers.

**REPORT AUTHOR:** **Jeannette Royle**  
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## APPENDICES

*None*

## REFERENCE MATERIAL

*None*

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet</b>	<b>23 September 2010</b>
<b>Cabinet</b>	<b>3 February 2011</b>
<b>Cabinet</b>	<b>21 June 2012</b>



## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT:</b>	<b>CHILDREN &amp; YOUNG PEOPLES DEPARTMENT COMMISSIONING OF 6 DAY NURSERY PROVISIONS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CHILDRENS SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR TONY SMITH</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### **1.0 EXECUTIVE SUMMARY**

- 1.1 As part of the Budget Savings Options this report outlines a proposed framework and timetable for the commissioning of six Day Nursery Provision which are currently being delivered by the Children and Young People's Department.
- 1.2 The report seeks agreement on the proposed commissioning approach and priorities.
- 1.3 The report seeks approval to change the proposed contract period from three years to five years.

#### **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The Local Sure Start Programmes and Children's Centres were established in 2002 to encourage the growth of accessible and affordable childcare in the most deprived areas of the country. Each Local Authority was required to include childcare when they were planning and building their Sure Start Children's Centres.
- 2.2 In Wirral, this was a very successful strategy and eight of the Centres in the most deprived parts of the Borough included childcare, open from 8am to 6pm Monday – Friday. Two of these settings are run successfully by Private Providers.
- 2.3 Funding was provided through the ring fenced Sure Start Grant which supported the settings to keep charges low and therefore services accessible to the most vulnerable families.

- 2.4 In 2010, when the ring fenced funding for Sure Start ended, the legal requirement for day care on the Children's Centre sites was removed. The settings are all well used and valued by the local communities, hence the proposal to outsource them to the private, voluntary or independent market (this could include schools if interest is shown) to ensure that a childcare service is maintained in these areas. Currently the 6 Day Care settings require a Council subsidy.

The council is seeking a range of providers including Voluntary, Community and Faith organisations and Social enterprises to submit sustainable business plans to redesign and deliver a flexible service to meet local needs.

- 2.5 Building on the success of commissioning Children's Services this is the beginning of the process of moving from being a provider of Day childcare to a commissioner and this process is seeking providers of high quality day care to run and manage the six day nursery provisions for a period of up to five years.

- 2.6 The six Day Nursery Provisions include:

- Reach High Day Nursery @ Liscard Children's Centre
- New Brighton Day Nursery @ New Brighton Children's Centre
- Honey Bees Day Nursery @ Birkenhead and Tranmere Children's Centre (St Werbergh's Primary School)
- Miriam Place @ Bidston St James Centre
- Windmill Day Nursery @ Cloughton Children's Centre
- Little Ferries Day Nursery @ Rock Ferry Children's Centres

- 2.7 All contracts will be monitored on a quarterly basis to provide evidence to ensure good quality outcomes. The outcomes for this commissioning process will be

- Good or outstanding Ofsted Judgements
- The most vulnerable children are prioritised e.g. funded 2 year olds, Care to learn funded children etc
- Close working relationships with local Children's Centre and Early Years teams
- Achievement of Quality Kitemark Awards, such as the Healthy Early Years setting award

- 2.8 The commissioning process will maintain a continuous focus on providing high quality services which are value for money. The providers will as a minimum be passionate about meeting the needs of very young children, with an enthusiasm for working collaboratively and in partnership with Children Centre Services. Providers will be required to shape the service to meet local needs.

- 2.9 Description of Day Care Provision

	Reach High Liscard	Honey Bees Birkenhead and Tranmere	New Brighton	Miriam Place Bidston St James	Windmill Claughton	Little Ferries Rock Ferry
Registered no of children	21	60	56	35	34	28
No of Base Rooms	2	3	3	3	2	2
Other rooms accessed	Sleep room and kitchen	none	Sleep room, kitchen and laundry	Sleep room, dining room,	Kitchen, Laundry, sleep room, covered outdoor balcony	Kitchen, laundry office
Ofsted judgement	Good May 2011	Good Sept 2010	Good September 2011	Good December 2011	Good March 2010	Outstanding June 2011
No of fte staff	7	12	17	17	10	17
Staffing costs	£145,945	202,998	£282,013	£269,281	£193,566	£290,239

## 2.10 In considering the proposals we will require

- What underlying need is being responded to and what are the desired outcomes.
- What provision is there currently that should or could contribute to the delivery of these outcomes, paying particular attention to vulnerable groups and equality and diversity?
- What is the likely impact of reduced investment in this service area?
- How provision could be utilised to manage the impact of any reduced investment in the service area?

2.11 Within the different service provision areas, assessment of bids will be based on the individual business plans, potential outcomes and the financial sustainability of the proposal, social value and service delivery.

## 3.0 PROPOSED COMMISSIONING TIMETABLE

3.1. The proposed timetable for this commissioning round is as follows:

- |   |                            |
|---|----------------------------|
| - Consult stakeholders                              | 15 <sup>th</sup> May 2013  |
| - Cabinet Report                                    | 13 <sup>th</sup> June 2013 |
| - Second consultation with stakeholders             | End June 2013              |
| - Site Visit to Nurseries                           | End June 2013              |
| - Availability of documents and further information | Early July 2013            |
| - Return of complete business case                  | End August 2013 (60 days)  |

- Interviews/presentations September 2013
- Clarification
- Evaluation
- Award September 2013
- Service Implemented (inc TUPE considerations) October to December 2013

#### **4.0 RELEVANT RISKS**

- 4.1 Commissioners will work closely with providers to ensure continuity of support and to facilitate effective and smooth adjustment to services and service delivery.
- 4.2 These services represent a significant investment in early years intervention,
- 4.3 These services are delivered by Children and Young People’s Department therefore TUPE may apply depending on the proposals received. There is also a risk that the process may not result in the appointment of a provider. Providers will be required to overcome challenges such as TUPE implications and recovery of losses to ensure the business becomes sustainable. The Council may wish to consider a contingency plan if the service provide fails to deliver.

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

- 5.1 The following alternative options have been considered:
- The Local Authority continues to manage and deliver these services directly this would ensure the continuation of a high quality and locally valued service. However, the cost implications would be significant to the Council.
  - The Local Authority goes out to public consultation on the closure of six day care settings within the Children’s Centres. This would result in adverse publicity and would also carry redundancy implications for approximately 80 staff.
- 5.2 Another option may have been to replicate what other local authorities in the region have done and the following table provides a brief explanation of how they dealt with their day care.

#### **Wider Local Authority Picture**

<b>Local Authority</b>	<b>Action taken</b>
Cheshire West & Chester	In 2000 commissioned day care during establishment of Children’s Centres
Cheshire East	As above
Halton	Every day care setting (6) in Children’s Centres delivered through Pre-school Learning Alliance since 2001
Warrington	As above
Liverpool	Currently selling day care settings as established businesses

Oldham	In 2000 commissioned day care during establishment of Children's Centres
--------	--

## **6.0 CONSULTATION**

- 6.1 A open consultation event took place on 15<sup>th</sup> May 2013 and there were 57 people in attendance including Children Centre Managers, head Teachers, Private Nursery Providers and National organisations. This forum was organised to seek their views and help shape the procurement process as part of soft market testing. This is in line with the recommendations of The Public Services (Social Value) Act 2012.
- 6.2 The event included an overview of each setting, including expenditure, OFSTED status and losses as well as a demonstration of the e sourcing system (The Chest) to be used for the process by Corporate Procurement.
- 6.3 Feedback and questions from potential providers related to the perceived barriers posed by TUPE implications, the proposed 3 year term and the need for detailed financial information. A list of FAQ's from the event is attached as an appendix.
- 6.4 Two consultation events took place on 15<sup>th</sup> May 2013 and there was a total of 57 attendees from private day care providers, voluntary and community sector, Head Teachers as well as Children Centre managers.
- 6.5 There were three main themes running through both these events which were
- TUPE
  - Detailed information about buildings, rent, utilities and assets
  - Evaluation Criteria
- 6.6 Another consultation event will take place in early June once the procurement documentation is completed and the focus will be to highlight the need for quality and positive outcomes for children and their families.
- 6.7 There will also be consultation with service users of these provisions to seek their views and to involve them in the decision making processes. Parents using the provision have been kept informed through the Nursery Managers and a letter from the Director has also been circulated to parents if they have asked for reassurance.
- 6.8 The final decision on this process will take into account the views not only of the potential providers but also service users.

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

- 7.1 These services are open to the local voluntary, community and faith sector organisations working with very vulnerable local children, young people and families.

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

8.1 The commissioning of the 6 day care settings is anticipated to reduce overall costs within Children's Centres by £778,000 in total over the financial years 2013-14 and 2014 -15. It is envisaged that there will be a shortfall in savings in 2013-14 of £260,000 if the handovers take place in December 2013. This will be met through contingency planning within the department.

## **9.0 LEGAL IMPLICATIONS**

9.1 TUPE may apply.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 The priority areas and service areas have been based upon review of local need and identifying suitable evidenced based interventions. Significantly a specific focus of the 6 Day Care Provision is to target vulnerable and at risk children, young people and families' e.g. young carers, black and minority ethnic families and victims of domestic violence. Equality will be specifically identified as part of all tenders.

10.2 Equality Impact Assessment (EIA)

- (a) Is an EIA required? Yes
- (b) If 'yes', has one been completed? Yes (14/8/12)

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 None identified.

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

12.1 None identified.

## **13.0 RECOMMENDATIONS**

13.1 The report seeks approval to change the proposed contract period from three years to five years.

13.2 The report seeks agreement on the proposed commissioning approach and priorities.

## **14.0 REASONS FOR RECOMMENDATION/S**

14.1 The recommendations will enable delivery of a full range of services to children in Day Nursery Provision to meet local need and prioritise the most vulnerable children

14.2 It is recommended that the initial term of the business opportunity is extended to 5 years as this would help businesses to have a more sustainable business proposition

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## **APPENDICES**

### **REFERENCE MATERIAL**

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

<b>Council Meeting</b>	<b>Date</b>
Q&A information from Public Consultation	<b>15/5/2013</b>
Council Budget Meeting	<b>February 2013</b>

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## **APPENDIX 1**

**Supplier Day  
15<sup>th</sup> May 2013**

### **FAQ's**

#### **1pm session**

**Q. The slides indicate a potential loss of over 50% - is this correct?**

A. The Council have been subject to statutory duties and regulation about how the centres are to be run. With many of these statutory requirements now being rescinded, the Council expects that the private sector will have more flexibility in designing a service that meets the needs of the area in new and innovative ways. There are a number of factors that affect the losses and more information on this will be made available.

**Q. It is a proposed saving for the Council that they will no longer cover these losses?**

A. The Council is facing a significant financial challenge and as a result are moving away from being a provider of childcare to a commissioner of the service. Therefore, the Council is not expecting to cover these losses once the transfer to the private sector is complete.

**Q. Who will be running the evaluation process?**

A. The evaluation will be against set criteria which will be detailed in the document. Officers from CYPD including Accountancy and Commissioning will be responsible for the scoring of submissions, overseen by Corporate Procurement. Proposed awards will be presented to a validation panel which consist of user forum group members.

**Q. Will TUPE apply?**

A. Yes, it is expected that TUPE will apply. However, if the proposal is significantly different to the current service provision, there may be a situation where TUPE would not apply. The Council will seek further clarification from the Legal department on this matter. Full details will be available.

**Q. Can we have a copy of the staff employment contract to understand the key terms?**

A. We can provide an employment contract template and a TUPE template consisting of posts, salary, pension contributions, redundancies etc.

**Q. Are all of the documents / information going to be available on the Chest?**

A. Yes, the opportunity will be advertised on the Chest. Please note, there will be a new opportunity relating to Children's day nursery's

**Q. The 3 year term you are proposing is not financially viable as a business, especially to turn around the losses. Is there any scope to offer a longer term opportunity (e.g. a minimum of 5 years)?**

A. The Council have a remit for an initial 3 year period to ensure the services are sustainable and profitable. It is anticipated that extensions, subject to satisfactory performance can be offered beyond this date. The commissioning officers will feed this back to senior management for their consideration.

**Q. What support / enhancements will the Council provide to support providers in achieving a sustainable service?**

A. It is proposed that the first year will be rent-free, with payment of utilities only by the nominated provider. For year 2, the Council will provide 50% rent rebate. By year 3, it is expected that the service will be able to cover these costs.

**Q. Would you consider a peppercorn rent?**

A. There are no plans at present but this will now be considered.

**Q. Will further information be available on the accounts for each centre? This is essential for any bidder and would represent a risk to suppliers if this information on cost breakdown is not provided. We would need to see these figures on losses / full accounts for the last 3 years and costs. And can this be provided on a square metre basis?**

A. We will seek to provide as much information as is available in order for potential suppliers to determine whether to submit a proposal. This will include floor plans and access and details of assets to be transferred.

**Q. Other authorities have taken the approach to close down the centres before the transfer to the private sector. Will a similar approach be followed by Wirral or is it expected that a seamless transfer will take place?**

A. The Council currently have no plans to close the centres prior to the transfer. It is expected that a service is maintained and a seamless transfer approach is reached for the benefit of the service users.

**Q. Was there different funding available for Council placements for 2 year olds as opposed to private nurseries as the costs don't seem to add up?**

A. No. The standard rate applies to all.

**Q. Can you provide us with occupancy levels for each centre?**

A. Yes. This will be provided in the brief.

**Q. Will there be another forum?**

A. There were no plans for another forum, however, in light of the issues raised today, and the amount of information that is not yet available to providers, we may need to consider another supplier day to outline the final agreed process.

**Q. Do you have a breakdown of pre-paid and all funded places for each centre?**

A. Yes. This will be provided.

Q. Will the slides be available?

A. Yes, the slides will be posted on the Chest.

**Q. Will details of the lease be provided, including responsibilities for maintenance and repairs?**

A. Yes.

**5pm session**

Q. Is the new provider liable for TUPE staff?

A. Depends on how similar the services are. HR and Legal are considering the implications where the proposal differs from the service currently provided. There are some vacancies that are currently being filled by agency staff to reduce the TUPE impact on new providers.

We will aim to provide as much information early on for providers to make an informed choice.

Q. Is it Council property? Will we have access 24/7?

A. Yes we will work with you to meet your requirements. We are seeking social value from the project and we recognise that may take the form of extended hours etc.

Q. Will we have access to financial information such as charges, time, role, % full?

A. Yes, we will include this information in the brief.

Q. You are asking for a 3 year business plan. Will it then be up for retender?

A. We will report back the 5 year minimum term suggestion and understand that a longer term strategy will be required to make the business profitable and sustainable.

Q. Are business rates included in the concession?

A. Utilities will need to be paid from year 1. We will confirm whether this includes rates or not.

Q. Are staff currently under notice? Are they aware of this process?  
Yes. Many council staff are currently under notice. Unions will be part of the consultation.

Q. Do you envisage a problem with some staff being on better terms than others?

A. This is an implication of TUPE and businesses will need to take this into account. Unions are concerned that staff are informed. Your proposal may only require 10 of the 17 staff.

Q. To expect the private sector to offer public sector rates is unrealistic.

A. TUPE is a legal requirement. Pension and sickness records also have an impact.

Q. Is there an end point? Other councils have had to close down the premises because TUPE issues could not be resolved.

A. If the outcome of this process is unsuccessful then Members will need to make a strategic decision whether to continue funding or not.

Q. If TUPE is unavoidable, would the council consider negotiation on rent? Will the council make a contribution?

A. Assets will remain and will be rent free in year 1, 50% year 2 and 100% year 3.

Q. Do you intend to hold another meeting when more information is available?

A. In light of today's issues, yes.

Q. OFSTED proposed changes to child ratios may have an impact.

A. OFSTED will have the role of quality assurance. The Council will continue to support.

Q. How many centre managers are in post?

A. In Birkenhead, 1 each, but move towards a locality based structure.

Q. Does staffing issues affect reputation from parents?

A. No – there is strong management and skilled staff in place, although some are agency which bears an additional cost. The service needs marketing.

Q. Can historical financial breakdowns be provided including staff costs?

A. Yes. This will be included in the brief.

Q. Is all equipment, furniture etc included

A. Yes but buildings will remain with the Council. There are some shared spaces.

Q. Will there be site visits?

A. Yes, we can factor in an out of hours site visit. We will arrange this.

Q. Are you accepting tenders from established businesses only?

A. No. It is an open process and acknowledges that there may be new providers who wish to take over the service. You will be required to demonstrate your financial standing in terms of cash flow forecasts, if 3 years audited accounts are not available. This is designed to provide a level playing field.

Q. Will you accept a bid from a joint ownership?

A. Yes, but you need a nominated lead for OFSTED.

Q. How will the bids be evaluated?

A. We will let you know the evaluation criteria which is likely to consist of value for money, social value and service delivery innovation. We will assign a weighting to each so you are aware on how the scores are applied.

Q. Are you seeking radical proposals?

A. Yes, with potentially longer term outcomes. We do not want to place any restrictions. Evaluation will be outcome based and based on how you will respond to local need.

Q. Is it imperative that the council provides a childcare centre at each location. Some have private sector availability 100m away?

A. It is a political decision not to close any centres. It will depend on the outcome of this process.

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# Equality Impact Assessment Toolkit (from May 2012)

## Section 1: Your details

**EIA lead Officer:** Maureen McDaid

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

**Head of Section:** Andrew Roberts

**Chief Officer:** Julia Hassall

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

**Date:** 14 August 2012

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

The Commissioning priorities for commissioning of services by CYPD for 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 under Delegated Authority.....

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

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

- X **Services**
- X **The workforce**
- X **Communities**
- X **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)

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

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

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



**Section 5:**

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

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

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

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
Race	Positive impact, the proposals seek to ensure that services are more accessible to members of the BME community.	Referrals to services will be managed centrally to ensure that families in need of support are accessing appropriate intervention. EIAs will be completed when services are de-commissioned to establish the impact on this protected group.	Janice Monty	Quarterly	
Disability	Positive impact on families of children with disabilities as the opportunities provided through short breaks for disabled children provides respite to relieve family stress.	Referrals to services will be managed centrally to ensure that families in need of support are accessing appropriate intervention. EIAs will be completed when services are de-commissioned to establish the impact on this protected group.	Dawn Tolcher	Quarterly	
Individuals experiencing poverty	Positive impact, the proposals for Risk taking Behaviour seek to target children and young people living in the five wards with highest levels of child poverty.	Referrals to services will be managed at area team level to ensure that children and young people in need of support are being referred to appropriate	Maureen Mc Daid	Quarterly	

		<p>intervention. EIAs will be completed when services are de-commissioned to establish the impact on this protected group.</p>			
<p>All groups</p>	<p>Seeking to address family pressures that can arise from individuals being one of the protected groups. The proposals will seek to address negative experiences through positive interventions. The delivery of services will be in targeted areas following needs assessment of families, children and young people.</p>	<p>Referrals to services will be managed centrally to ensure that families in need of support are accessing appropriate intervention. EIAs will be completed when services are de-commissioned to establish the impact on this protected group.</p>	<p>Tracey Coffey</p>	<p>Quarterly</p>	

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

Through the quarterly monitoring performance returns which include information on the outcomes for service users.

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

The proposals have been developed following needs assessment and alignment of commissioning priorities against corporate, department and Joint Strategic Needs Assessment priorities which take account of EIA requirements.

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

Joint Strategic Needs Assessment, Review of corporate priorities and review of Wirral Children's Plan needs assessment.

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

Yes

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

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

With stakeholders (providers and service users) as part of the consultation prior to commissioning. Consultation will also be undertaken with the multi-agency Joint Commissioning Group. This will be completed during August and early September.

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.

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## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT:</b>	<b>TENDER REPORT FOR SOMERVILLE PRIMARY SCHOOL, WALLASEY</b>
<b>WARD/S AFFECTED:</b>	<b>WALLASEY</b>
<b>REPORT OF:</b>	<b>JULIA HASSALL DIRECTOR OF CHILDREN'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>CLLR TONY SMITH CHILDREN'S SERVICES AND LIFELONG LEARNING</b>
<b>KEY DECISION?</b>	<b>YES</b>

### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to advise Cabinet Members of the outcome of the tender process for works to Somerville Primary School to remove 6 poor quality mobile classrooms and re-provide accommodation within the main school building. The report seeks ratification from Members to accept the lowest tender submitted by Conlon Construction Ltd.

### 2.0 BACKGROUND AND KEY ISSUES

2.1 Somerville Primary School is located on Northbrook Road, Wallasey and occupies a restricted site for approximately 460 pupils. The scheme includes a substantial amount of new build, refurbishment and upgrade of the existing building and will also bring the pre-school accommodation into the main building. The internal alterations included within the scheme will rationalise the use of existing teaching space in line with the guidelines set out in Building Bulletin 99. Upon completion of the scheme, which is split into two phases, the three double mobile teaching accommodation units which are in very poor condition will be replaced.

2.2 Phase 1 of the scheme (estimate £1 million) will include:-

- Construction of a new hall at 200m<sup>2</sup>
- Construction of a new kitchen and store at 103m<sup>2</sup>
- Construction of an accessible toilet and storage 53m<sup>2</sup>
- Remodelling of two classrooms (existing hall)
- Refurbishment of two classrooms and access routes
- Internal fit-out of the kitchen and store areas

Phase 2 (estimate £0.8 million) will include:-

- Construction of 3 single classrooms
- Demolition of all remaining mobile classrooms
- Internal refurbishment to the former kitchen and staffroom
- Provision of additional toilets.

Depending on the value of returned tenders, alterations to the staff administration area and entrance would also be considered. Detailed design is progressing with this phase.

2.3 The total scheme has been estimated to cost £1.8 million. Phase 1 was initially included in the 2012/13 CYP Capital Programme funded from Modernisation/Basic Need Grant and approved by Cabinet on 12 June 2012. Phase 2 was then to follow being funded from Unsupported Borrowing. Due to the detailed design required for the scheme by multi-disciplined professionals, this has resulted in a lead-in period of 12 months prior to appointing a contractor to undertake Phase 1.

### **3.0 RELEVANT RISKS**

3.1 Difficult ground conditions or discovery of asbestos which cannot be foreseen prior to works commencing may cause delays, however contingencies have been included for this eventuality.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 A number of options during the design feasibility were considered; the current design allows the required space to be created for teaching and learning and meets current and future pupil place demand in the local area.

4.2 The removal of mobile accommodation has been a priority within the department's accommodation strategy and Somerville Primary is the only school on Wirral with significant use of temporary accommodation.

### **5.0 CONSULTATION**

5.1 Consultation has taken place between the school, architects and Local Authority to ensure that the proposed design meets school and pupil place requirements in the local area.

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

6.1 It is intended that the pre-school which is currently occupying one of the mobile classroom units, will be accommodated within permanent rooms within the school building as part of the Phase 2 works on agreed terms.

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

7.1 The Tender submissions were received on 9 May 2013 via "The Chest":-

No	Contractor	Tender Sum (£'s)
1	Conlon Construction Ltd.	784,561.00
2	TENDER 2	790,431.18
3	TENDER 3	810,968.00
4	TENDER 4	816,767.00
5	TENDER 5	846,047.00
6	TENDER 6	862,783.97



7.2 The total cost of Phase 1 of the scheme based on the lowest tender submitted is:-

<b>Details</b>	<b>£</b>
Construction Costs (Including Kitchen Fit Out and External Works)	784,561.00
Departmental Charges:-	
Professional Fees charged fees to RIBA Stage D	12,401.85
Design and Supervision @ 15% (including Clerk of Works, CDM Coordinator fee and Planning and building regulation fees)	117,684.15
<b>Total cost of Phase 1 based on the tender submitted</b>	<b>914,647.00</b>

7.3 The total scheme is included within the Council approved Capital Programme and following a review the timing of the scheme is now :-

<b>Scheme</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>	<b>Funding</b>
	£	£	£	
Phase 1	890,000	110,000	1,000,000	Modernisation Grant
Phase 2	0	800,000	800,000	Unsupported Borrowing
<b>Total</b>	<b>890,000</b>	<b>910,000</b>	<b>1,800,000</b>	

7.4 The in-house Design Consultancy section within Asset Management will provide all Professional Services except Mechanical Design which is being provided by Abacus Consult Ltd.

7.5 The Director of Universal and Infrastructure Services in accordance with the Construction (Design and Management) Regulations 2007 will carry out the role of CDM Coordinator.

7.6 Any additional costs for IT and Furniture, Fittings and Equipment (FF&E) not able to be met from the above resources will be met from the schools delegated Formula Capital allocation.

7.7 It is anticipated that there will be no significant increase in revenue costs for energy etc at the school as a result of this scheme.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are no specific legal implications associated with this report. The Head Of Legal and Member Services will arrange the contract with the successful tendering contractor.

## **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.~~

(b) No because there is no relevance to equality.

~~(c) No because of another reason which is~~

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 Increase in Carbon usage will be minimal due to the low energy building components being specified and the removal of inefficient mobile accommodation which has poor insulation properties. No other environmental issues have been identified with this project.

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

11.1 A Planning application relating to the proposed work was approved by the Local Planning Authority on the 22 January 2013, application No. DPP3/12/01225 refers.

## **12.0 RECOMMENDATION/S**

12.1 That the Contractor who submitted the lowest tender, as detailed above, be accepted as the Council's 'preferred contractor'.

12.2 The Head Of Legal and Member Services be authorised to execute an appropriate construction contract with the preferred constructor in due course, subject to a check of their tender submission and them developing a satisfactory Health & Safety Plan.

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

13.1 To implement a previously approved scheme that removes the use of mobile accommodation at Somerville Primary School, this has been a priority within the department's accommodation strategy as Somerville Primary is the only school currently on Wirral with significant use of temporary accommodation.

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## **REFERENCE MATERIAL**

The information used in the preparation of this report was obtained in consultation with the Legal Services and Universal & Infrastructure Services and with reference to the business case documents. No other background papers have been used in the preparation of this report with the exception of the Architects files B02549 and the Quantity Surveyor's working papers.

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

<b>Council Meeting</b>	<b>Date</b>
Cabinet	12 April 2012
Planning Committee	22 January 2013
Cabinet report – Capital Programme and Financing	18 February 2013

## WIRRAL COUNCIL

### CABINET

13<sup>th</sup> JUNE 2013

<b>SUBJECT:</b>	<b>CHILD POVERTY PROJECT PROPOSAL</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CHILDREN'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR TONY SMITH</b>
<b>KEY DECISION?</b>	<b>NO</b>

## 1 EXECUTIVE SUMMARY

- 1.1 This report outlines a proposal for expenditure on child poverty activities based on priorities identified by Wirral's Child and Family Poverty Working Group. The report also sets out a proposed commissioning process for progressing this proposal and related project management arrangements, including the role of the Working Group in respect of monitoring progress.
- 1.2 In summary, this report takes forward the longstanding view of the Working Group that community assets, not deficits, are the key to addressing issues of poverty and deprivation in Wirral. It also recognises the role of schools in improving outcomes now and in the longer-term for Wirral's children. The report outlines a proposed approach which is about enhancing the vital role of schools and creating a platform for them to act as a catalyst for transforming local communities. The approach has been proactively developed by all members of the Working Group, with support from officers as appropriate.
- 1.3 This report further sets out the Working Group's key areas of focus for 2013-14 in line with the Liverpool City Region Strategy on Poverty and Life Chances.
- 1.4 It is noted that, in respect of funding for child poverty initiatives, expenditure has been committed to support the Springboard project and this expenditure has been dealt with separately in a previous report to Cabinet in September 2012. A further report on progress in relation to Springboard will be brought to Cabinet in due course.

## 2. BACKGROUND AND KEY ISSUES

- 2.1 Around 25% of Wirral children live in poverty as determined by the income deprivation indicator for child poverty. There are acute inequalities in Wirral with levels as low as 1% in some areas and as high as 70% in others, where long-standing issues of deprivation and disadvantage prevent families from escaping poverty. Feedback from local agencies suggests that the financial climate and changes to the benefits are having a combined impact on children and families in poverty. For example, Wirral's Food Bank has fed and supported 3,791 adults and 2,386 children since April 2012.

- 2.2 Poverty is not a new issue, and its causes and effects have been explored in a range of recent research and evidence-based work, including the national Review of Poverty and Life Chances led by Frank Field MP in 2010 which concluded that life chances are dependent on development in the first 5 years of life. The 2010 Marmot Review, and the 2011 reviews of early intervention and the early years foundation stage reached similar conclusions about giving every child the best start in life. As well as a focus on the early years, the collective evidence suggests that the following are key challenges for addressing poverty:
- Tackling worklessness and improving employability;
  - Addressing financial and digital exclusion;
  - Strengthening families and parenting skills;
  - Narrowing the gap on educational attainment;
  - Improving health outcomes.
- 2.3 Wirral's Child and Family Poverty Working Group was established in May 2011 to explore the evidence and research and to make recommendations to the Council and its partners about priorities for a local child poverty strategy and action plan. Since then, the Working Group has continued to revisit a number of key questions:
- Given that the Council and its partners have continuously sought to address Wirral's deep-rooted and complex issues of poverty and deprivation through a range of services and interventions with varying levels of success, how can we be more innovative and creative in finding solutions?
  - How do we best invest limited resources?
  - How do we best co-ordinate multi-agency resources?
  - How do we measure the outcome and value of any interventions?
- 2.4 The draft child poverty strategy informed by the Working Group and considered by Cabinet in October 2011 provided a starting point for answering these questions, with a focus on challenging partners to join up their activity wherever possible to identify and support families living in poverty or at risk of living in poverty. The Working Group's role has subsequently evolved to become a key stakeholder group for issues of poverty in the borough.

### **3. WORKING GROUP PROPOSAL**

- 3.1 The Working Group recognises that the Council and partners are taking a range of strategic and operational actions to address the challenges of poverty and deprivation referred to in 2.2 above and that there is a wealth of good practice happening in Wirral. Examples of this include the Council's continued focus on economic growth and prosperity, the support provided for families by Wirral's excellent children's services and a range of community-focused activities in local areas. It also recognised that the Council's Corporate Plan has a clear focus on tackling poverty and deprivation and that this will drive further service improvements and joint working.
- 3.2 Further to this, the Working Group has also taken a consistent view that short-term interventions are much less likely to work and that a focus on community assets, rather than community deficits, is critical to tackling poverty for future generations.
- 3.3 A number of members of the Working Group recently attended a workshop organised on asset-based community development. This approach considers local assets as the

primary building blocks of sustainable community development. Building on the skills of local residents, the power of local associations and community groups, and the support of local services, asset-based community development draws upon existing community strengths to build stronger, more sustainable communities for the future.

- 3.4 The Working Group is proposing that the proposed project should take as its starting point an asset-based approach. The Working Group suggests that that testing this approach in a localised way will be the most effective use of the resources available and that this should be on the basis of a primary 'school community hub.' The activities co-ordinated through this 'school community hub' would be aimed at mitigating and reducing the impact of poverty and deprivation through a 'whole family' approach and a community-led programme of activity. It would seek to enhance rather than duplicate pupil-centred interventions, for example those in place to narrow the gap in attainment.
- 3.5 The Working Group also suggests that, if this approach proves successful, the lessons learnt can be rolled out borough-wide and will be of significant value as the Council and partners develop neighbourhood working in Wirral.
- 3.6 Primary schools tend to have a focused geography, are naturally accepted as community leaders, have a resource of buildings, land and people and access to enrolled children, younger and older siblings and most importantly to parents. Schools are uniquely placed to understand how services and activities can come together to better support families. There is also evidence that primary school pupils are much more likely to be affected by an area's economics and employment deprivation than their counterparts in secondary schools (Zhang, 2003, links between school absenteeism and child poverty, *The Journal for Pastoral Care and Personal Social Education*; Vol 21 (1) 10 – 17). A DWP Child Poverty Pilot in 2011 (the School Gates Initiative) focused on increasing the amount of employment and enterprise support that parents receive in and around their children's school.
- 3.7 The Working Group has previously informed the commissioning of an evaluation project which explored the impact of existing local initiatives and programmes on families in poverty with a particular focus on identifying what interventions have been most successful in supporting parents into sustainable employment. The findings of this evaluation concluded that:

"The recognition and use of community networks and assets is an essential element in providing a sound context for mutual trust, peer support and personal development to be undertaken in a familiar and informal setting, often within walking distance, where individuals can be supported to meet with professionals on their own terms to manage their journey towards employability." ('Supporting Families Out of Poverty: What Works?' Final Report, October 2012)

- 3.8 The Marmot Review on Health Inequalities (Fair Society, Healthy Lives 2010) mentioned in 2.2 above also made recommendations about the role schools the following approaches to reduce social inequality:
- Extending the role of schools in supporting communities and families taking a 'whole child' approach to education;
  - Consistently implementing 'full service' extended school approaches and

- Developing the school based workforce to build skills to work across school and home boundaries.

3.9 As would be expected, schools in Wirral differ widely in terms of the deprivation experienced by the children and families they serve. Work has been undertaken by the Policy, Performance and Public Health Directorate to identify those schools most affected using a number of key criteria:

- Income deprivation (i.e. the national child poverty indicator);
- The wider determinants of deprivation (i.e. the Indices of Multiple Deprivation);
- Children on Free School Meals (i.e. the FSM indicator).

3.10 It is proposed that those schools where the majority (i.e. 51% or above) of pupils on roll live in an area where child poverty and deprivation levels are in the highest 20% of areas nationally are invited to express an interest in working with the Council to deliver the project outlined below. Taking into account the need to maximise the impact of the funding available, it is further proposed that the targeting of schools should also take into account the total number of pupils on the school roll.

#### **4. PROJECT OUTLINE**

4.1 The Working Group's broad project proposal is as follows:

- The selection of a school community hub using the commissioning process set out in section 5 below;
- The selected school community hub to identify / recruit community organisers to work using the school as a base;
- The community organisers to work with the school community to develop an asset map for the local area, and an action plan which sets out what the community can do for itself, what it needs support to do, and what it wants partners to deliver;
- This action plan to be delivered by the community organisers working with the school and the local community, with project management arrangements as set out in section 6 below.

4.2 Taking into account that the proposed approach will generate an asset map and action plan which very much depends on the school and community selected through the commissioning process, the Working Group anticipates that a map of community assets might include:

- Community connectors – people who make things happen in the local area;
- Existing community groups and associations, for example faith groups, the PTA and 'friends of' groups (parks, libraries, etc);
- Local traders / businesses;
- Housing providers;
- Voluntary organisations;
- Local services, for example Police, Fire and Rescue, health agencies and Jobcentre Plus.

4.3 Similarly, an action plan might include:

- Celebrations and other events designed to equip the community to self help and identify opportunities and ideas;

- Development of social enterprises to meet community need and create employment;
- Microfinance projects – credit unions, business loans, etc.;
- Targeted skills courses and jobs readiness training linked to real job opportunities;
- Provision of childcare;
- Securing transport links to areas of employment;
- Improving access to banking services and debt, benefits and legal advice;
- Community celebration events and ideas fairs;
- Parenting and family skills, e.g. budgeting;
- Training to promote community resilience;
- School readiness;
- Building links with neighbouring assets;
- Extended schools programme, e.g. holiday provision;
- Working with housing providers to tackle local housing issues;
- Community-led clean ups and physical improvements.

## 5. COMMISSIONING PROCESS

- 5.1 A proposed commissioning approach has been developed with guidance from the Council's Procurement Team taking into account the procurement principles of fairness and transparency:

Expressions of Interest invited from schools	Mid-June 2013
'Information Day' undertaken with prospective schools	End-June 2013
Expressions of interest received	July 2013
Expressions of interest evaluated and shortlist identified	July 2013
Proposals invited from short listed schools	July 2013
Proposals received	August 2013
Final proposals evaluated by commissioning panel	August 2013
Funding awarded and work commences	September 2013

- 5.2 The invitation to schools to express an interest would outline the broad project proposal and ask for a response which outlines how the school would:
- Engage the school community in the project and recruit and host community organisers;
  - Work with local services and agencies to support the project and lever in additional support;
  - Ensure that the project enables the community identifying its own resources and action required.
- 5.3 Schools would be asked to describe their current strategies for improving outcomes where deprivation and disadvantage has an impact on pupil aspiration and attainment, for example through the use of Pupil Premium funding, and how any additional funding might add value to this work through improving outcomes for families and the wider community.
- 5.3 The process will also be mindful of the following recommendations from the national Child Poverty Pilot evaluation which helpfully describes some qualifying criteria for establishing child poverty projects in schools:

“Selecting schools in the most deprived areas has proven key in this pilot to reaching the target group of parents. However, within this selection, an equally important factor needs to be selecting the right school, including:

- A head who is committed to, and on board with the pilot aims and who can recognise the ways in which the pilot could benefit the work of the school and its community of parents and children;
- A school which has the staff capacity to support the pilot is key, particularly in providing trusted ‘frontline’ school staff who could help engage parents in the pilot.” (DWP, 2012 Study of School Gates Employment Support Initiative)

5.4 Running an Information Day for qualifying schools is to provide an opportunity to give an overview of the project and initiate discussion about:

- How assets from within the community could be involved;
- Project outputs and how improvements could be measured;
- How the interventions and the improvements identified could be made sustainable.

5.5 Schools that progress past the initial short listing process will be asked to present to the commissioning panel prior to selection.

## **6. PROJECT MANAGEMENT AND MONITORING**

6.1 The Working Group is committed to monitoring the impact and findings of this initiative as it progresses to understand what lessons can be learnt. Progress will also be of interest to the Council and partners as they develop neighbourhood working in Wirral. The Working Group and officers also recognise that there will be links to other emerging areas of work, including the preventive strategy for children’s services, and will proactively seek to ensure that duplication is avoided and that links are made as necessary.

6.2 A framework for monitoring success will be put in place as part of the development of the project dependent on the interventions identified. However, there will be a number of output measures that will need to be included to ensure that the project is meeting key requirements, for example numbers of families engaged with and service referrals. This framework will need to be in place within the first three months of the project being initiated.

6.3 In addition to this quantitative data about how the project is being delivered, areas for qualitative evaluation as part of ongoing delivery and at the end of the first year of investment might include:

- Increased family and children’s wellbeing;
- Increased capacity in the community to tackle poverty;
- Greater awareness of support available to parents in the local area;
- Increased desire of parents to move into work, and with a clear understanding of how to pursue this goal;
- Increased engagement of parents with existing employment and enterprise;
- Improved aspirations of children due to rising parental aspirations;

## **6. WIDER ROLE OF THE WORKING GROUP**



- 6.1 The Working Group is also committed to continuing to challenge the Council and partners about their responses to issues of poverty, for example in respect of mitigating the impact of welfare reform on children and families.
- 6.2 The Working Group has maintained close links with the Liverpool City Region Commission on Poverty and Life Chances and recognises that the work of the Commission and the associated Liverpool City Region Strategy and recently updated child poverty needs assessment provides the wider context for Wirral's local interventions. In recognition of the need to further strengthen these links, the Working Group has developed a broad work programme to mirror the Liverpool City Region Commission's priorities for 2013, i.e. understanding and challenging what the Council and its partners are doing to:
- Improve school readiness;
  - Support families to be prepared for Universal Credit;
  - Tackle children and young people with unhealthy weight;
  - Close attainment differences in schools;
  - Improve transport access;
  - Increase employment and skills within low income families.
- 6.3 In light of this, it is recommended that Cabinet recognises the Liverpool City Region Strategy on Poverty and Life Chances as providing the strategic framework for child poverty activities in Wirral and agrees that the Working Group should review progress on the areas set out above in line with this framework. Subject to approval by Cabinet in relation to the project proposal outlined in this report, the core principles of the draft child poverty strategy considered by Cabinet in 2011 will be taken forward through the implementation of the school community hub project outlined in this report.

## **7.0 RELEVANT RISKS**

- 7.1 A risk register will be developed and monitored in line with the project management arrangements which will be put in place. This will reflect the need to allow for innovation in the project given the focus on the community identifying its own needs.

## **8.0 OTHER OPTIONS CONSIDERED**

- 8.1 A range of options have been reviewed by the Working Group in order to develop the recommended approach set out in this report.

## **9.0 CONSULTATION**

- 9.1 The Working Group is the key stakeholder group for child poverty in Wirral and has been consulted on an ongoing basis as to the content of this report.

## **10.0 IMPLICATIONS FOR VOLUNTARY COMMUNITY AND FAITH SECTOR**

- 10.1 It is anticipated that the proposed project will require the school selected to develop relationships with the voluntary and community sector to deliver a local action plan.
- 10.2 The sector will be involved in the commissioning process given its expertise in respect of community-led approaches.

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

11.1 The project makes proposals for the amount of £100,000 allocated in the Council's budget to be commissioned based on priorities identified by Wirral's Child and Family Poverty Working Group. Staffing implications for the Council will be in respect of project monitoring and unlocking barriers to implementation.

## **12.0 LEGAL IMPLICATIONS**

12.1 Clear governance arrangements are in place for the Working Group to report to the Children's Trust and these will provide the framework for monitoring the proposed project.

## **13.0 EQUALITIES IMPLICATIONS**

13.1 A Phase 1 equality impact assessment is attached and will also be published at:

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

## **14.0 CARBON REDUCTION IMPLICATIONS**

14.1 There will be no direct carbon reduction implications.

## **15.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

15.1 There will be no direct planning and community safety implications.

## **16.0 RECOMMENDATION/S**

It is recommended that:

16.1 The £100,000 allocated for priorities identified by the Working Group be utilised to commission the delivery of the project outlined in this proposal;

16.2 The Wirral Child and Family Working Group acts as the key stakeholder group for this project;

16.3 Regular reports on progress in relation to the delivery of the project and on Wirral's wider contribution to delivering the Liverpool City Region Strategy on Poverty and Life Chances are produced for the Children's Trust in line with existing governance arrangements;

16.4 Cabinet commits to ensuring that the lessons learnt from the implementation of the project are considered as the Council and its partners further develop neighbourhood working in Wirral.

## **17.0 REASON/S FOR RECOMMENDATION/S**

17.1 This report outlines a proposal for expenditure on child poverty activities based on priorities identified by Wirral's Child and Family Poverty Working Group.

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**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>CABINET: CHILD POVERTY STRATEGY AND ACTION PLAN</b>	<b>14<sup>th</sup> April 2011</b>
<b>CABINET: CHILD POVERTY STRATEGY AND ACTION PLAN – PROGRESS REPORT</b>	<b>13<sup>th</sup> October 2011</b>
<b>COUNCIL: COUNCIL BUDGET 2012/13</b>	<b>1<sup>st</sup> March 2012</b>
<b>CABINET: ‘ROOTS AND WINGS’ CHILD POVERTY BUDGET OPTION</b>	<b>12<sup>th</sup> April 2012</b>
<b>CABINET: CHILD POVERTY BUDGET OPTION</b>	<b>27<sup>th</sup> September 2012</b>
<b>COUNCIL: COUNCIL BUDGET 2013/14</b>	<b>5<sup>th</sup> March 2013</b>

## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Jane Morgan

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

#### Head of Section:

**Chief Officer:** Julia Hassall

**Department:** Children's Services

**Date:** May 2013

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

Child poverty project proposal

### 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 13<sup>th</sup> June 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**)

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

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

- Services**
- The workforce**
- Communities**
- Other** (please state e.g.: 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.

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
Groups affected by socio-economic status	Project will be targeted at schools where pupil live in areas with the highest levels of child poverty (as measured by the national deprivation indicator for child poverty) and have a positive impact on the socio-economic status of children and families	-	-	-	-
All groups with protected status	The programme of activity linked to the project will be community-led and will proactively ensure that all protected groups are encouraged to engage.	-	-	-	-

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

Wirral's Child and Family Working Group will act as the stakeholder group for the project and will regularly review impact on children and families engaged in the programme.

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

The project proposal is based on the need to address inequality, with a particular focus on developing community assets.

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

A range of evidence has been used, including child poverty data, research about best practice in other areas and the views of the Wirral Child and Family Poverty Working Group as representative stakeholders.

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

No – (please delete as appropriate)

If 'yes' please continue to section 8.

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

No, as consultation has already been undertaken to develop the approach through previous work on Wirral's child poverty strategy.

(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?**

N/A

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

13 JUNE 2013

<b>SUBJECT</b>	<b>OUT-TURN 2012/13</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</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 details the Out-turn for 2012/13 and concludes the reporting to Cabinet for the 2012/13 financial year. There are separate Appendices for Revenue (including details of the reserves and provisions), Capital (including the resources used to fund the programme) and the Collection Summary (including debts for which approval to write-off is required). At the time of preparing the report, this remains as work-in-progress and any updates will be advised before the meeting

#### 2.0 RECOMMENDATIONS

##### 2.1 Revenue

- a) That the Revenue Out-turn for 2012/13, which shows that balances have increased by £3.6 million due to the out-turn being £2.7 million below the projection at Month 11 and the release of £0.9 million of previously used Capital Reserves to General Fund balances, be noted.
- b) That the creation of the Redundancy Reserve of £5.5 million, previously identified as a cost for 2013/14, be agreed.

##### 2.2 Capital

- a) That the additional slippage of £4.6 million from 2012/13 to 2013/14 be agreed.
- b) That the financing of the programme for 2012/13 be agreed.
- c) That the application of the £2.5 million of capital receipts, to reduce future capital financing costs by £0.2 million per year and to release £0.9 million of previously used Capital Reserves to General Fund balances, be agreed.

##### 2.3 Collection Summary

- a) That the report be noted.
- b) That the debts, as detailed in the Appendix, be written-off.

### **3.0 BACKGROUND AND KEY ISSUES**

- 3.1 Throughout the financial year Cabinet have received updates in respect of Revenue and Capital Monitoring with these reports having been submitted monthly since September (when the Month 3 monitoring reports were considered).
- 3.2 The last monitoring reports were for Month 11 and were considered by Cabinet on 18 April 2013. Since then work has been on-going in order to finalise the accounts for the financial year. The timescales for completion mean that there could potentially be further changes until the meeting of the Cabinet and Members will be advised of any significant changes.
- 3.3 In respect of income collection Cabinet on 23 May 2013 received a number of specific reports in relation to the collection of sundry debt. This included actions to improve cash collection, primarily within the area of Adult Social Services.
- 3.4 The detail contained within the Appendices informs part of the Annual Statement of Accounts for 2012/13. The Statement has to be issued by 30 June 2013. It is then subject to review by the appointed External Auditors (Grant Thornton UK LLP) and has to be published by 30 September 2013.

### **4.0 RELEVANT RISKS**

- 4.1 There are none associated with the summary of the financial position for 2012/13. The position has been monitored throughout the year and has been the subject of monthly reports to Cabinet since September (Month 3).
- 4.2 In respect of the collection of income this was the subject of reports to Cabinet on 23 May 2013 and the inclusion of items which are irrecoverable overstates the potential income which could be collected by the Council.

### **5.0 OTHER OPTIONS CONSIDERED**

- 5.1 No other options were considered. There is a legal requirement to publish the Statement of Accounts and agree the capital spend and financing at the end of the financial year.

### **6.0 CONSULTATION**

- 6.1 This is an end of year report. Consultation takes places as part of the planning and implementation of specific schemes or projects within the Council Budget and Capital Programme.

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

- 7.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

## **8.0 RESOURCE IMPLICATIONS**

- 8.1 The financial implications are detailed within the Appendices.
- 8.2 There are no staffing, IT or asset implications arising directly from this report.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 Local authorities have to produce an Annual Statement of Accounts which demonstrates the financial performance of the Council for the year and the financial position at the end of the period. The Accounts must apply with the Code Of Practice on Local Authority Accounting. There is a legal requirement to publish the Statement of Accounts each year.

## **10.0 EQUALITIES IMPLICATIONS**

- 10.1 There are no implications arising directly from this report being a report on the overall financial affairs for the financial year just completed.

## **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 There are no implications arising directly from this report. These are included in reports to Cabinet on individual schemes and in the Carbon Budget report.

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

- 12.1 There are no implications arising directly from this report.

## **13.0 REASONS FOR RECOMMENDATIONS**

- 13.1 Local authorities have to produce an Annual Statement of Accounts which demonstrates the financial performance of the Council for the year and the financial position at the end of the period. The full Statement is approved by Audit & Risk Management Committee on behalf of the Council. This report informs Cabinet of the key elements.
- 13.2 The Collection Summary provides details on income collection performance and any sums which are deemed irrecoverable need to be written off in accord with the authorisation processes set out in the council Constitution.

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## APPENDICES

- Appendix 1 Revenue Out-turn 2012/13
- Appendix 2 Capital Out-turn 2012/13
- Appendix 3 Collection Summary 2012/13

## REFERENCE MATERIAL

Code Of Practice On Local Authority Accounting In The UK 2012/13 – CIPFA>  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit (England) Regulations 2011.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Estimates 2012/13	21 February 2012
Cabinet – Revenue Out-turn 2011/12	21 June 2012
Cabinet – Capital Out-turn 2011/12	21 June 2012
Cabinet – Collection Summary 2011/12	21 June 2012
Cabinet – Revenue Monitoring 2012/13	Monthly reports since
Cabinet – Capital Monitoring 2012/13	September 2013

## CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>REVENUE OUT-TURN 2012/13</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</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 informs Cabinet of the Revenue Out-turn for 2012/13 including details of the reserves and provisions. At the time of preparing the report, this is work-in-progress and any updates will be advised before the meeting

**2.0 RECOMMENDATIONS**

- 2.1 a) That the Revenue Out-turn for 2012/13, which shows that balances have increased by £3.6 million due to the out-turn being £2.7 million below the projection at Month 11 and the release of £0.9 million of previously used Capital Reserves to General Fund balances, be noted.
- b) That the creation of the Redundancy Reserve of £5.5 million, previously identified as a cost for 2013/14, be agreed.

**3.0 BACKGROUND AND KEY ISSUES****MONITORING 2012/13**

- 3.1 Throughout the financial year Cabinet have received updates in respect of Revenue Monitoring with these reports having been submitted monthly since September (when the Month 3 monitoring reports were considered). At that time the projected overspend was £17 million.
- 3.2 To increase available funds actions were taken to release an Earmarked Reserve that was no longer required, a Spending Freeze process was agreed on 6 September 2013. Further reviews were undertaken of the Reserves in order to release further sums to help address the financial shortfall.
- 3.3 To address concerns over the adequacy and accuracy of individual budgets a budget realignment exercise took place. Conducted on a departmental basis budgets were re-allocated to overspending areas from underspending areas.

- 3.4 The last monitoring report, for Month 11, considered by Cabinet on 18 April 2013, projected an overspend of £7.4 million. Since then work has been on-going in order to finalise the accounts for the financial year. The timescales for completion mean that there could potentially be further changes until the meeting of the Cabinet and Members will be advised accordingly.
- 3.5 The Budget for 2012/13 was agreed by Council on 1 March 2012 and any increase in the Budget has to be agreed by full Council. Changes to the budget since it was set and these are summarised in the table below. These comprise variations approved by Cabinet / Council including approved virements, budget realignments reflecting changes to the departmental structure and responsibilities, and expenditure freeze decisions, as well as any technical adjustments.

**Table 1: 2012/13 Original & Revised Net Budget analysed by Department**

	Original Net Budget	Approved Budget Virements Mths 1-11	Previous Freeze Decisions	Approved Budget Virements Month 12	Revised Net Budget
	£000	£000	£000	£000	£000
Adult Social Services	66,660	571	-85	-	67,146
Children & Young People	73,665	-195	-172	-	73,298
Finance	24,610	-2,424	-493	-	21,693
Law, HR & Asset Mgt	13,901	1,166	-54	-	15,013
Reg, Hsg & Planning	25,764	-768	-962	-	24,034
Technical Services	59,478	195	-526	-	59,147
Freeze Savings	-	-	2,292	-	2,292
Efficiency Fund	-	2,132	-	-	2,132
<b>Net Cost of Services</b>	<b>264,078</b>	<b>677</b>	<b>0</b>	<b>0</b>	<b>264,755</b>

- 3.6 Comparing Month 11 to the projected final position there were changes due to:-

**Table 2: 2012/13 General Fund Budget variations by Department**

	Revised Net Budget	Forecast Outturn Month 11	Under /Over Month 11	RAGBY Class	Under / Over Final	Change
	£000	£000	£000		£000	
Adult Social Services	67,146	78,540	11,400	R	11,400	-
Children & Young People	73,298	75,998	2,700	R	1,900	-800
Finance	21,693	17,544	-4,200	Y	-5,200	-1,000
Law, HR & Asset Mgt	15,013	16,246	1,200	R	1,600	+400
Reg, Hsg & Planning	24,034	23,053	-1,000	Y	-2,000	*-1,000
Technical Services	59,147	60,813	1,700	R	1,400	-300
Freeze Savings	2,292	-	-2,300	n/a	-2,300	-
Efficiency Fund	2,132	-	-2,100	n/a	-2,100	-
<b>Net Cost of Services</b>	<b>264,755</b>	<b>272,194</b>	<b>7,400</b>		<b>4,700</b>	<b>-2,700</b>

\*whilst Regeneration, Housing and Planning reported an increased underspend the release of a similar sum from Reserves did not occur as the funds were deemed to still be required.

The reasons for the improvements were:-

- Children and Young People for reductions in foster care and agency costs
- Finance due to unspent sums relating to the Council Tax Reimbursement (£0.7 million) and savings on Housing Benefit and staffing costs.
- Regeneration, Housing and Planning due to underspending on tourism and support for Area Forums.
- Technical Services due to staffing and related savings.

Whilst the increased overspend was:-

- Law, HR and Asset Management due to premises related costs.

## RAGBY REPORTING AND OTHER ISSUES

3.7 The Red and Yellow RAGBY issues that are the subject of corporate focus have been reported throughout the year. The main variations being:-

**Table 3 : 2012/13 Analysis Of The Main Variations**

Department	Description	Overspend £m	Underspend £m
Adult Social Services	Care Services	7.0	
	Market review / increase costs	2.6	
	Staffing (including Agency costs)	1.4	
Children & Young People	Care Services	3.0	
	Integrated Transport Unit	0.9	
	Connexions Service		0.9
	Planned maintenance / works		0.4
	Sure start / Children's Centres		0.4
Finance	Premature Retirement Costs		0.3
	Housing Benefit		2.0
	Treasury Management		1.7
	Staffing		0.9
Law, HR, Asset Mgt	Council Tax Reimbursement		0.7
	Savings not achieved		
	- Facilities management	0.9	
	- Business transformation	0.3	
	- Staffing - Terms & conditions	0.3	
Reg, Hsg & Planning	Premises - libraries and sports	0.5	
	Planned maintenance / works		0.8
	Area Forum – Grants		1.3
Technical Services	Supported Housing		0.5
	Highways income	1.1	
	Car parking income	0.6	
	Golf income	0.4	
	Street lighting		0.3
	Parks		0.3
Freeze Savings	Planned maintenance		0.3
	Staffing – Pay Award		0.6
	Empty Shops (policy option)		0.5
	Green economy (policy option)		0.5
	Libraries Book Fund		0.4
Efficiency Fund	Leisure Services		0.3
	Removal of revenue budget		2.1
<b>Total - Main Variations</b>		<b>19.0</b>	<b>15.2</b>

- 3.8 In respect of the variations in Table 3, the 2013/14 Budget included decisions to address those recurring variances which had not previously been addressed and those savings which were considered to be undeliverable.

#### LEVEL OF GENERAL FUND BALANCES

- 3.9 When setting the 2012/13 Budget the expected level of balances was £8.8 million. With the issues identified from the monitoring it became evident that this need not take into account the strategic, operational and financial risks facing the Council. Cabinet on 29 November 2012 agreed this risk-based approach and on 18 February 2013 confirmed that the level of balances be set at, or above, the locally determined figure.
- 3.10 When setting the Budget 2013/14 the projected balances were £23.8 million with £10.2 million used to support the Budget 2013/14 leaving balances of £13.6 million.
- 3.11 The out-turn shows the final figure to be £17.2 million which is in excess of the £13.6 million and is closer to the target figure for General Fund balances of £17.7 million for 2014/15.

**Table 4: Summary of the 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	+5.9
<i>Sub total</i>		+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	
Cabinet decision November 29 to release Earmarked Reserves	+10.5	+16.8
Less : Overspends for the year (includes Efficiency Fund removal)		-4.7
Add : Further release of reserves (see 3.12)	+8.2	
Add : Release of Capital Reserves (see 3.13)	+0.9	+9.1
Less ; Creation of Efficiency Fund Reserve	-2.0	
Less ; Creation of Redundancy Reserve (see 3.14)	-5.5	
Less : Transfer to provision for Bad Debts (see 3.17-3.19)	-1.0	-9.5
Projected balance 31 March 2013		27.4
Used in setting the Budget 2013/14		-10.2
Available balances 31 March 2013		17.2

- 3.12 The further release of reserves was primarily to meet the issues identified in respect of income that was deemed to be not collectable. The main reserve released was the Debt Restructuring and Refinancing Reserve of £7.9 million. Given the profile of the Council debt and the/ current market conditions this reserve is unlikely to be required so was returned to General Fund balances.
- 3.13 The release of the Capital Reserves is referred to in the Capital Out-turn report. Capital Receipts have been used to finance schemes that were funded from Capital Reserves enabling the £0.9 million of reserves to be released to General Fund balances.



- 3.14 The Council has agreed a Senior Management restructure and a number of Departmental restructures. Having taken these decisions, a commitment has been made which needs to be reflected in the 2012/13 Accounts and, at this stage, has been included as a Reserve. This assists with the Budget 2013/14 as the redundancy costs have been funded in 2012/13 which does not preclude any submission to Government for permission to capitalise this spend.

### **COLLECTION FUND**

- 3.15 The Collection Fund was reported to Cabinet on 24 January 2013. The Estimate 2012/13 showed a deficit of £0.6 million for the year. The year-end position shows that a surplus of £0.2 million has been achieved.
- 3.16 The Collection Fund holds a surplus of £0.4 million at 31 March 2013. In accord with accounting requirements the Wirral share of the surplus is shown in the accounts and will, depending upon performance in 2013/14, be available for distribution in 2014/15.

### **PROVISIONS FOR BAD DEBTS**

- 3.17 The position regarding Sundry Debts was referred to in the month 8 monitoring report. This involved an examination of the level of bad debt relating to income which has previously been included within the authority's accounts which had been assumed was collectable. At that time the release of Earmarked Reserves to cover this cost had been identified.
- 3.18 Reports were presented to Cabinet on 23 May 2013 which included the review undertaken by Mr Eugene Sullivan and the actions taken to reduce the level of outstanding debt within Adult Social Services. This identified that there was the potential to write-off significant sums for which provision has been made in the accounts. Once this work has been concluded those debts which are recommended to be written-off will be reported to Cabinet for approval.

### **3.19 Table 5 : Provision For Potential Bad Debts**

	At 31 Marr 2012	At 31 Mar 2013
	£000	£000
General Fund		
Sundry Debtors	7,622	*10,900
Summons Costs	635	490
Housing Benefit	6,543	7,017
	14,800	18,407
Collection Fund		
Council Tax	5,303	7,498

\* Increases in the provision were £3 million from Finance and £1 million from the allocation of reserves.

## **RESERVES**

- 3.20 Details of the current level of the reserves and the movements during 2012/13 are shown in the Annex. As highlighted in Table 4 in excess of £26 million has been returned to General Fund balances during the financial year. This has contributed to the significant reduction in General Fund reserves from £86 million to £65 million.
- 3.21 Careful consideration was given to any proposals which increase earmarked reserves. Additional verification was required as part of the 2012/13 closure of accounts process to ensure that control of the revenue budget overspend continued to have the highest priority. The additions were primarily being due to compliance with external grant conditions and the delivery of schemes or projects which continued into 2013/14.
- 3.22 Under the Education Reform Act 1988 all primary, secondary, special and nursery schools manage delegated budgets. At 31 March 2013 the balances held by schools totalled £11.9 million and these can only be used for schools' purposes.
- 3.23 The balance of the Insurance Fund reserves was £7.8 million at 31 March 2013. During the year the Fund contributed £0.9 million to General Fund balances primarily through the impact of improved risk management in reducing property claims and the release of a fund for non-highway risk improvements.

## **4.0 RELEVANT RISKS**

- 4.1 There are none associated with this report which provides a summary of the Council's financial affairs for 2012/13 and the balances at 31 March 2013.

## **5.0 OTHER OPTIONS CONSIDERED**

- 5.1 No other options were considered. There is a legal requirement to publish the Statement of Accounts and agree the spend and financing at the end of the financial year.

## **6.0 CONSULTATION**

- 6.1 This is an end of year report. Consultation takes place as part of the planning and implementation of specific schemes within the Council Budget.

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

- 7.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

## **8.0 RESOURCE IMPLICATIONS**

8.1 The financial headlines are:-

- a) For 2012/13 the Revenue Out-turn shows an overspend of £4.7 million which is set out in sections 3.6 and 3.7.
- b) The Balances at 31 March 2013 are £17.2 million which is £3.6 million higher than was forecast when the Budget 2013/14 was agreed. This increased level of balances is closer to the target figure of £17.7 million required for 2014/15.
- c) During the year £26 million has been released from Earmarked Reserves. A Redundancy Reserve of £5.5 million has been created for costs which would have had to be found in the 2013/14 financial year.

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

## **9.0 LEGAL IMPLICATIONS**

9.1 Local authorities have to produce an Annual Statement of Accounts which demonstrates the financial performance of the Council for the year and the financial position at the end of the period. The Accounts must apply with the Code Of Practice on Local Authority Accounting. There is a legal requirement to publish the Statement of Accounts each year.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 There are no implications arising directly from this report being a report on the overall financial affairs for the financial year just completed.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no implications arising directly from this report. These are included in reports to Cabinet on individual schemes and in the Carbon Budget report.

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

12.1 There are no implications arising directly from this report.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 Local authorities have to produce an Annual Statement of Accounts which demonstrates the financial performance of the Council for the year and the financial position at the end of the period. The full Statement is approved by Audit & Risk Management Committee on behalf of the Council. This report informs Cabinet of the key elements.

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## **ANNEX**

Annex Earmarked Reserves Statement 2012/13.

## **REFERENCE MATERIAL**

Code Of Practice On Local Authority Accounting In The UK 2012/13 – CIPFA.  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit (England) Regulations 2011.

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Estimates 2012/13	21 February 2012
Cabinet – Revenue Out-turn 2011/12	21 June 2012
Cabinet – Revenue Monitoring 2012/13	Monthly reports since September 2013

## EARMARKED RESERVES STATEMENT 2012/13

Earmarked Reserves	Balance	Balance
	1 April 2012	31 March 2013
	£000	£000
Schools Balances	11,767	11,937
Housing Benefit	11,155	10,155
Insurance Fund	9,635	7,822
Working Neighbourhood Fund	7,959	761
Debt Restructuring	7,941	0
Minimum Revenue Provision	4,400	0
Community Fund Asset Transfer	3,301	2,146
Intranet Development	3,161	3,161
Local Pay Review	2,641	2,296
One Stop Shop/Libraries IT Networks	2,119	1,878
Supporting People Programme	1,505	996
Cosy Homes Insulation	1,244	*
School Harmonisation	1,241	668
Stay, Work, Learn Wise	908	908
Schools Capital Schemes	777	*
Matching Fund	558	0
20 MPH Zones	550	*
Home Adaptations	537	518
West Wirral Schemes	530	*
Merseyside Information Service	500	*
ERDF Match Funding	500	444
Strategic Asset Review	495	251
Planned Preventative Maintenance	483	463
Heritage Fund	420	*
Schools Automatic Meter Readers	415	415
Children's Workforce Development Council	399	559
Schools Contingency	370	370
Business Improvement Grant	342	342
Local Area Agreement Reward	322	322
Primary Care Trust Physical Activities	300	*
Schools Service IT	294	294
Schools Summer Term	280	*
Homeless Prevention	271	271
Redundancy Reserve	0	5,500
Efficiency Investment Fund	0	2,000
Worklessness Programme	0	1,084
Intensive Family Intervention Project	0	871
Apprentice Programme	0	546
Child Poverty	0	350
Other Reserves	8,928	7,574
<b>Total Reserves</b>	<b>86,248</b>	<b>64,902</b>

\* denotes below £250,000 at 31 March 2013.

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## CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>CAPITAL OUT-TURN 2012/13</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</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 details the Capital Out-turn for 2012/13 and the resources used to fund the programme. At the time of preparing the report, this remains as work-in-progress and any updates will be advised before the meeting

**2.0 RECOMMENDATIONS**

- 2.1 a) That the additional slippage of £4.6 million from 2012/13 to 2013/14 be agreed.  
 b) That the financing of the programme for 2012/13 be agreed.  
 c) That the application of the £2.5 million of capital receipts, to reduce future capital financing costs by £0.2 million per year and to release £0.9 million of previously used Capital Reserves to General Fund balances, be agreed.

**3.0 BACKGROUND AND KEY ISSUES****MONITORING 2012/13**

- 3.1 Throughout the financial year Cabinet have received updates in respect of Capital Monitoring with these reports having been submitted monthly since September (when the Month 3 monitoring reports were considered).
- 3.2 The last monitoring report, for Month 11, was considered by Cabinet on 18 April 2013. Since then work has been on-going in order to finalise the accounts for the financial year. The timescales for completion mean that there could potentially be further changes until the meeting of the Cabinet and Members will be advised of any significant changes.

**CAPITAL OUT-TURN**

- 3.3 The capital spend for the year on the accruals basis amounted to £33.3 million compared to the Revised Programme of £37.2 million which was reported in the February (Period 11) monitor. This is summarised in Table 1.

**Table 1 : Capital Programme 2012/13**

<b>Spend</b>	<b>Original Approval</b>	<b>Revised February</b>	<b>Actual Out-turn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adult Social Services	2,750	100	80
Children & Young People	21,481	16,167	14,994
Finance	0	140	51
Law, HR and Asset Mgt	4,000	3,893	3,615
Regeneration	6,079	7,524	7,399
Technical Services	7,668	9,421	7,190
<b>Total programme</b>	<b>41,978</b>	<b>37,245</b>	<b>33,329</b>

- 3.4 Cabinet has previously approved slippage of £10.8 million which reflected the latest position for the Month 11 monitor. Further slippage of £4.6 million has occurred since then, with the most significant items (greater than £0.1 million) shown in the table.

**Table 2 : Significant slippage identified since Month 11**

<b>Scheme</b>	<b>Slippage £000</b>
<b>Children &amp; Young People</b>	
Formula capital (managed by schools)	535
Condition/modernisation	428
Aiming Higher for Disabled Children	267
Private finance Initiative	127
SEN and disabilities	461
Youth capital schemes	160
Primary School programme (reduced slippage)	(550)
<b>Law, HR and Asset Management</b>	
Cultural Services assets	220
Wallasey Town Hall	810
<b>Technical Services</b>	
Highways maintenance	601
Accessibility	275
Air Quality	245
Street Lighting	229
Parks outdoor gyms	167
Road safety	103
	<b>4,078</b>

**CAPITAL FINANCING**

- 3.5 Table 3 details the resources used to finance the Capital Programme.



**Table 3 : Capital Financing 2012/13**

<b>Resources</b>	<b>Original Approval</b>	<b>Revised February</b>	<b>Actual Out-turn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	9,035	7,330	5,633
Grant - Education	20,181	14,559	14,336
Grant - Local Transport Plan	2,958	2,958	2,958
Grant - Sustainable Transport	0	676	461
Grant - Integrated Transport	1,155	1,160	1,160
Grant – Other	5,349	5,913	5,938
Revenue/Reserves	300	1,649	296
Capital Receipts	3,000	3,000	2,547
<b>Total resources</b>	<b>41,978</b>	<b>37,245</b>	<b>33,329</b>

**CAPITAL RECEIPTS**

- 3.6 The Capital Programme is reliant on the Council generating a limited amount of capital receipts to finance future schemes. Table 4 shows the movements in the Reserve during 2012/13 with £8.1 million held at 31 March 2013.

**Table 4: Capital Receipts Reserve**

	<b>£ million</b>
<b>Balance as at 1 April 2012</b>	<b>9.2</b>
Add : Receipts during the year	+1.4
Less : Used to reduce borrowing (MRP) costs (see 3.7)	-1.6
Less ; Used to release Earmarked Capital Reserves (see 3.9)	-0.9
<b>Balance as at 31 March 2013</b>	<b>8.1</b>

**Use of receipts to reduce borrowing (Minimum Revenue Provision) costs**

- 3.7 The use of capital receipts can have a direct impact on the cost of borrowing and the Minimum Revenue Provision (MRP). An analysis has been undertaken to determine those capital schemes that could be funded by receipts in order to save on borrowing costs. This involved assessing the asset lives appropriate to each capital scheme and allocating receipts accordingly. Table 5 shows the results from applying the different scenarios with the starting position being that no capital receipts are applied.

**Table 5 : Comparison of use of receipts v MRP saving**

<b>Asset lives / funding period</b>	<b>Receipts applied</b>	<b>MRP cost</b>	<b>MRP saving</b>
	£000	£000	£000
No change	0	1,000	0
1 year	687	325	675
10 years or less	1,407	232	668
19 years or less	1,600	222	678
24 years or less	1,642	220	680
Various	3,000	166	534

- 3.8 After 24 years there is only a marginal saving to be gained compared with a significant increase in the use of capital receipts. Consequently, £1.642 million of capital receipts were used in funding the Programme which delivers a saving on borrowing costs of £0.2 million per year from 2013/14.

#### **Use of capital receipts to release Earmarked Capital Reserves**

- 3.9 It was initially anticipated that £3 million of capital receipts would be used to fund the Programme. Given the fact that the most efficient use would be £1.642 million it was possible to use receipts to replace funding that was originally earmarked to be from revenue and reserves. This enables the reserves to be released to General Fund balances. An additional £0.905 million of receipts were applied which released a similar sum to General Fund balances.

#### **4.0 RELEVANT RISKS**

- 4.1 There are none associated with this report which provides a summary of the spend and financing of the capital programme in 2012/13. The Programme has been monitored throughout the year and has been the subject of monthly reports to Cabinet since Month 3.

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

- 5.1 No other options were considered. There is a legal requirement to publish the capital spend and financing at the end of the financial year.

#### **6.0 CONSULTATION**

- 6.1 This is an end of year report. Consultation takes places as part of considering the capital programme and over the planning and implementation of the specific schemes within the programme.

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

7.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes within the programme.

## **8.0 RESOURCE IMPLICATIONS**

8.1 The capital spend for the year on the accruals basis amounted to £33.3 million. This was funded from borrowing of £5.6 million, government grants of £24.9 million, reserves and revenue contributions of £0.3 million and useable capital receipts of £2.5 million.

8.2 The application of the £2.5 million of capital receipts of capital receipts reduces future capital financing costs by £0.2 million per year releases £0.9 million of previously used Capital Reserves to General Fund balances.

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

## **9.0 LEGAL IMPLICATIONS**

9.1 There is a legal requirement to publish a report on the capital spend and financing at the end of each financial year.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 There are no implications arising directly from this report which covers the overall programme and its funding for the financial year.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no implications arising directly from this report. These are included in reports to Cabinet on individual schemes and in the Carbon Budget report.

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

12.1 There are no implications arising directly from this report.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 The Council is required to make a number of formal Determinations in respect of its capital expenditure and financing and this report includes those for the 2012/13 financial year.

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## REFERENCE MATERIAL

Code Of Practice On Local Authority Accounting In The UK 2012/13 – CIPFA.  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit (England) Regulations 2011.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Estimates 2012/13 (inc Capital Programme)	21 February 2012
Cabinet – Capital Out-turn 2011/12	21 June 2012
Cabinet – Capital Monitoring 2012/13	Monthly reports since September 2013

## CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>COLLECTION SUMMARY 2012/13</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</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 details the collection of Council Tax, Business Rates, Sundry Debtors, Housing Benefit Overpayments and Housing Act Advances. It also highlights key collection indicators and for irrecoverable sums, the sums that were written off under delegation and details of those debts for which Cabinet approval is sought to write off.

**2.0 RECOMMENDATIONS**

2.1 That the report be noted.

2.2 That the debts be written-off as detailed in the report.

**3.0 BACKGROUND AND KEY ISSUES****COUNCIL TAX**

3.1 There was a small increase in the number of properties and collection at 96.8% for 2012/13 was the same as for 2011/12.

**3.2 Collection Summary 2012/13**

	£	£
Arrears Brought Forward at 1 April 2012		13,270,000
Total Charge		<u>180,246,179</u>
		193,516,179
Less Credits Brought Forward at 1 April 2012		<u>769,755</u>
		192,746,424
Less Allowances:		
Exemptions	5,633,578	
Disabled Persons Relief	144,540	
Discounts and Band alterations	19,992,664	
Council Tax Benefits	31,153,419	
Write-offs	<u>798,524</u>	<u>57,722,725</u>
		135,023,699
Add Refunds Made		1,667,647

Add Costs	<u>658,654</u>
	137,350,000
Less Cash Received	<u>123,704,000</u>
Arrears Carried Forward at 31 March 2013	<u>13,646,000</u>

### 3.3 Debt Recovery Actions

	2011/12	2012/13
Reminder Notices	48,476	50,148
Summonses Issued	14,579	14,086
Leading to		
Liability Orders	10,202	9,520
Attachment Of Earnings Orders	2,238	2,068
Deductions from Job Seekers		
Allowance/Income Support	4,334	3,949
Referred to Bailiffs	7,714	5,869

### 3.4 Irrecoverables

3.4.1 There is no specific power to write-off Council Tax debts, which are covered by the general power of administering the financial affairs of the Authority. Examples of suitable cases for write-off are: deceased persons with no estate, persons not traced, Insolvency, Sums remitted by the court during proceedings for imprisonment and minimal sums. All other debts are actively pursued.

3.4.2 The write-off provision for 2012/13 was £4 million and whilst trace and recovery work is ongoing for Council Tax arrears £798,524 has been written off in 2012/13 categorised as follows:

Category	2011/12 £	2012/13 £
Deceased	40,564	50,066
Insolvency	223,463	134,257
Court Remission	11,688	11,195
Prison sentence served	-	5,172
Non-traceable	<u>539,640</u>	<u>597,834</u>
Total	<u>815,355</u>	<u>798,524</u>

### 3.5 Statistics

	31 Mar 2012	31 Mar 2013
Number of properties	146,117	146,154
Dwellings as a Band D equivalent	107,672	*87,116
Number of Benefit Recipients	42,781	42,092
Council Tax Collection	96.8%	96.8%

\* difference due to change from Council Tax Benefit to Council Tax Support and new Government funding arrangements effective 1 April 2013

### 3.6 Year on Year Volume Comparisons

	31.03.11	31.03.12	31.03.13
Direct Debit Payers	87,863	88,432	89,081
Discount Recipients	72,105	70,467	67,950
Inc Pensioners discounts	8,910	10,536	13,856
Exempt Persons	4,072	3,955	4,189
No. of Amended/Copy Accounts	109,191	113,907	117,795
No. of Returned Direct Debit Payments	11,472	11,252	11,018
Payments: Direct Debits	873,033	889,553	900,217
Cash/Cheque	71,566	59,526	24,310
Salaries/Wages	16,315	14,641	12,517
Debit/Credit Card	55,994	56,941	57,651
Paypoint	32,367	30,487	29,349
Post Office	69,654	64,362	57,298
Dept for Work & Pensions	27,422	27,910	27,012
Bailiff	27,957	27,628	16,276

- 3.7 Changes to the treatment of empty properties were brought in by Government with effect from 1 April 2013 along with the change from Council Tax Benefit to the Local Council Tax Support Scheme. For 2013/14 the Council agreed to increase Council Tax levels by 2% on the previous year's Council Tax level. The net result of these changes is an extra £10.1 million to be collected for 2013/14. As these new areas are likely to be challenging to collect it is anticipated that the collection rate will reduce by 1.75% for 2013/14.

### BUSINESS RATES (NATIONAL NON DOMESTIC RATES)

- 3.8 There was a small increase in the number of properties and in 2012/13 collection fell from 97% to 95.3%. Port Exemptions of £1.99 million reduced the arrears carried forward significantly as did the increase in Write Offs referred to in 2.11.

### 3.9 Collection Summary 2012/13

	£	£
Opening Debit		81,344,390
Plus Balance Brought Forward		7,719,611
Less Credit b/f		<u>535,464</u>
		88,528,537
<u>Allowances</u>		
Assessment changes in year	158,844	
Transitional Relief	623,910	
Empty relief	0	
Empty relief exemptions	-3,535,472	
Part Occupation relief	-167,033	
Void property relief	-7,421	

Charitable Organisations	-5,621,249	
Rural Relief	1,099	
Hardship	0	
Small Business rate relief	-5,507,058	
Port Exemptions	-1,986,619	
Write-Offs	-2,095,219	
Interest	<u>5,215</u>	<u>-18,131,403</u>
		70,397,134
Add Refunds made		3,247,283
Add costs		<u>43,129</u>
		73,687,546
Less Cash Received		<u>-67,752,735</u>
Balance Carried Forward		<u>5,934,811</u>

### 3.10 Debt Recovery Action

	2011/12	2012/13
Summonses	782	760
Liability Orders	688	679
Chargepayers on Direct Debit	2,045	2,100

### 3.11 Irrecoverables

3.11.1 Within the collection target is an allowance for irrecoverables or losses on collection. This is calculated as a percentage of anticipated yield and was £0.9 million in 2012/13.

3.11.2 Write Offs in future years will be split 50-50 between the Council and Government. In view of this a scrutiny of all outstanding debt was undertaken during the year and substantially increased the amount written off to £2.1 million. This will be Written off against pool contributions, for the last time.

3.11.3 The Government sets these allowances for Authorities. Write-offs above these levels may need to be audited and, if accepted, collection levels are amended.

3.11.4 Category	2011/12	2012/13
	£	£
Absconded/Irrecoverable	113,818	745,526
Insolvency	606,649	1,084,717
Miscellaneous (including deceased)	<u>2,441</u>	<u>264,976</u>
Total	<u>722,908</u>	<u>2,095,219</u>

### 3.12 Statistics

	2011/12	2012/13
Number of Properties on Valuation List	7,997	8,109
Rateable Value	£180,910,478	181,374,913
New and Altered Property Notifications	430	1,883
Collection Rate	97.0%	95.3%



- 3.13 The Business Rates has undergone major change with effect from 1 April 2013. Previously Business Rates were collected locally and paid into the National Pool. The Government then re-distributed the Pool to all authorities based upon their respective populations. The main change is that the Council will be able to keep 50% of any increase in the future yield and will be directly affected by collection performance. Wirral previously was a net beneficiary from the Pool to the tune of receiving £2 for every £1 collected. Wirral because of its relatively small Business rate base will be a classed as a “Top Up” rather than “Tariff” authority because its baseline funding level is greater than its business rates baseline.
- 3.14 The Council has an Enterprise Zone, Wirral Waters part of Mersey Waters, which came into force on 1 April 2012. The Zone has been the subject of earlier reports to Cabinet and whilst building has recently commenced to date there have been no completed buildings within the Zone therefore no Business Rates income generated.

### **SUNDRY DEBTOR ACCOUNTS**

- 3.15 Reports were presented to Cabinet on 23 May 2013 which included the review undertaken by Mr Eugene Sullivan and the actions taken to reduce the level of outstanding debt within Adult Social Services. This identified that there was the potential to write-off significant sums for which provision has been made in the accounts. Once this work has been concluded those debts which are recommended to be written-off will be reported to Cabinet for approval.
- 3.16 These reports followed the exercise to address outstanding debt within Adult Social Services. Of the debt at November 2012 £12 million of the £25 million outstanding at that time has been recovered. If this had not been recovered the level of debt at the year-end would have been significantly higher than the £20 million now reported, which includes £8 million of recently raised debt.
- 3.17 During 2012/13 the Council raised invoices totalling £103 million (an increase of £5 million on 2011/12) and collected income of £103 million (an increase of £10 million from 2011/12) reflecting the improved collection of outstanding debts. This was also evident in that whilst previous years showed an increasing level of debt at the end of the year the position at 31 March 2013 showed a reduction on the 31 March 2012 figure.
- 3.18 Cabinet are advised that by the end of May 2013 the debt has reduced by £10 million which reflects the payments received for invoices that were raised in the 28 days prior to the year-end.

### 3.19 Collection Statement

	2011/12 £	2012/13 £
Balance Brought Forward at 1 April	27,633,282	31,072,430
Net Amount of Invoices	<u>97,252,030</u>	<u>103,103,357</u>
	124,885,312	134,175,787
Less Write-Offs	<u>844,182</u>	<u>1,517,188</u>
	124,041,130	132,658,599
Payments Received	<u>92,968,700</u>	<u>102,652,293</u>
Balance Carried Forward at 31 March	<u>31,072,430</u>	<u>30,006,306</u>

3.20 The number of invoices and their value raised over recent years and the outstanding debt at the year-end is as follows:-

Financial Year	Invoices Number	Invoices Value	Debt 31 March
2009/10	34,230	90.4	25.7
2010/11	51,507	93.6	27.6
2011/12	50,740	98.0	31.1
2012/13	47,912	103.0	30.0

3.21 The table below outlines Departmental Debt as at 31 March 2013

Departments	Less than 28 Days	1 <sup>st</sup> Reminder	2 <sup>nd</sup> Reminder	3 <sup>rd</sup> Reminder	Total	Land Charges
	£	£	£	£	£	£
C.Y.P.D.	714,609	188,006	8,049	358,042	1,268,706	0
Corporate	462,167	71,696	19,948	534,942	1,088,753	267,330
Finance	6,669,360	1,111,822	39,725	415,389	8,236,296	0
Law & Asset	301,972	332,245	18,487	152,456	805,161	108,383
Regeneration	9,539	857	956	2,429	13,781	4,970
D.A.S.S.	5,206,071	2,477,071	676,026	9,144,618	17,503,786	2,377,746
Technical Ser	619,964	118,648	105,735	2,580,923	3,425,270	240,157
Totals	13,983,682	4,300,345	868,926	13,188,799	32,349,859	
%	43.2%	13.3%	2.7%	40.8%	100%	
Unallocated payments					-2,343,553*	
Total					30,006,306	2,998,586

\*Unallocated payments are payments without a reference number or an incorrect number and are awaiting correction and allocation to the relevant department.

#### Irrecoverables

3.22.1 Debts identified as irrecoverable by the Head of Legal and Member Services are being written off. The amounts written off under delegated powers in operation for 2012/13 (under £1,000):-

<b>Under £1,000 Write off Descriptions 2012/13</b>	<b>Cases</b>	<b>£</b>
Write off No Trace Total	15	4,399.73
Write off Irrecoverable Total	486	91,611.36
Write off Statute Barred Total	1,082	318,046.61
Write off Insufficient Proof Total	20	4,649.12
Write off Dept Advise Total	16	5,073.75
Write off Settlement Total	7	3,263.32
Write off Small Amount Total	106	2,179.13
Write off Liquidation Total	48	12,193.06
Write off Not Authority Debt Total	8	2,908.95
Write off Deceased Total	51	20,758.37
<b>Total</b>	<b>1,839</b>	<b>465,083.40</b>

3.22.2 Sums over the limit of delegation £1,000 and below £5,000 requiring Cabinet approval.

<b>Over £1,000 and below £5,000 Write off Descriptions 2012/13</b>	<b>Cases</b>	<b>£</b>
Write off No Trace Total	5	10,527.47
Write off Irrecoverable Total	13	25,880.22
Write off Statute Barred Total	149	317,532.20
Write off Dept Advise Total	3	4,180.83
Write off Liquidation Total	10	18,479.21
Write off Deceased Total	36	78,341.78
<b>Total</b>	<b>216</b>	<b>454,941.71</b>

3.22.3 Sums over £5,000 require Cabinet approval. Detail appears in the Exempt Appendix:-

<b>Over £5,000 Write off Descriptions 2012/13</b>	<b>Cases</b>	<b>£</b>
Write off No Trace Total	2	15,554.86
Write off Irrecoverable Total	3	22,536.03
Write off Statute Barred Total	27	295,397.36
Write off Insufficient Proof Total	4	113,083.84
Write off Dept Advise Total	1	34,296.53
Write off Liquidation Total	2	70,814.51
Write off Deceased Total	7	45,479.89
<b>Total</b>	<b>46</b>	<b>597,163.02</b>

<b>Summary Write Off Amounts 2012/13</b>	<b>Cases</b>	<b>£</b>
Under £1,000.00	1,839	465,083.40
Over £1,000.00	216	454,941.71
Over £5,000.00	46	597,163.02
<b>Total</b>	<b>2,101</b>	<b>1,517,188.13</b>

3.22.4 Work is underway with all Departments to rigorously identify those Sundry Debtor accounts which are most likely to be irrecoverable. This will include liaising with departments to ensure that supporting information is available to pursue collection. This will enable collection and recovery resources to focus on those debts which are fully collectable and maximise timely and early collection. There is also see a move towards pre-payments/paying up front rather than billing where ever possible.

### **HOUSING ACT ADVANCES**

3.23 No new advances were made in 2012/13. The number of mortgage accounts continues to decrease as more are redeemed or transferred to other institutions. The caseload retained continues to be monitored to prevent arrears increasing.

#### **3.24 Collection statement**

	2011/12 £	2012/13 £
Arrears Brought Forward	1,382	1,884
Charges	<u>23,847</u>	29,445
	25,229	31,329
Cash Collected	<u>23,345</u>	<u>28,437</u>
Arrears Carried Forward	<u>1,884</u>	<u>2,892</u>

#### **3.25 Housing Act Advances Five Year Collection Details**

Financial Year	Amount Collectable £	Arrears £	Number of Accounts
2008/09	73,748	2,953	38
2009/10	63,996	2,448	28
2010/11	34,483	1,382	22
2011/12	25,229	1,884	19
2012/13	31,329	2,892	15
Total of loans outstanding at 31 March 2012			£62,938
Total of loans outstanding at 31 March 2013			£40,329

## HOUSING BENEFIT OVERPAYMENT DEBTS

- 3.26 The following Housing Benefit overpayment debts, all under £1,000 were written off in 2012/13. It is planned to analyse overpayments over £1,000 and determine actions concerning collection maximisation as well as any consequential write-off requirement.

Reason	No	£
Elderly	31	27,539
Bankrupt	64	22,810
Deceased	97	29,294
Statute Barred	150	74,073
Small Balance	168	4,715
Uneconomic to Pursue	<u>62</u>	<u>10,581</u>
Total	<u>572</u>	<u>169,012</u>

## IRRECOVERABLE DEBTS

- 3.27 Under delegated powers I have written off as irrecoverable the following:-

	£
Council Tax	798,524
Business Rates	2,095,219
Sundry Debtors	465,083
Housing Benefits Overpayment	<u>169,012</u>
Total	<u>3,572,838</u>

- 3.28 Cabinet is asked to approve the following sum as being written off in respect of 262 irrecoverable debts over £1,000:

	£
Sundry Debtors over £1,000 and under £5,000	454,942
Sundry Debtors over £5,000	<u>597,163</u>
Total	<u>1,052,105</u>

## 4.0 RELEVANT RISKS

- 4.1 If debts are not written off they have the potential to inflate what might be thought collectable. Debts are only written off after a number of stringent checks and following advice from the Head of Legal and Member Services.

## 5.0 OTHER OPTIONS CONSIDERED

- 5.1 The report presents a summary of the collection performance for 2012/13. No other options were considered.

## **6.0 CONSULTATION**

6.1 Relevant officers of the Council have been consulted in preparing this report.

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

7.1 There are none arising directly from this report.

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

8.1 Following the reports to Cabinet on 23 May 2013 staffing resources within the Social Services PFU Team are being increased in order to improve income recovery.

8.2 Debts written off as irrecoverable are charged against the Council provision for bad debts which is reviewed annually in accordance with the requirements of accounting practice. As detailed in the revenue out-turn report the provision at 31 March 2013 was £10.9 million which compares to the £7.6 million at 31 March 2012.

## **9.0 LEGAL IMPLICATIONS**

9.1 Those debts recommended for write-off have been agreed by the Head of Legal and Member Services.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 There are none arising directly from this report.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are none arising directly from this report.

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

12.1 There are none arising directly from this report.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 So Members are aware of the collection activity undertaken in these areas.

13.2 Sums written off are approved either under delegation or by Cabinet.

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## APPENDICES

Exempt Appendix

### SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet - Collection Summary 2009/10	24 June 2010
Cabinet - Collection Summary 2010/11	24 June 2011
Cabinet - Collection Summary 2011/12	21 June 2012

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## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>FINANCIAL MONITORING 2013-14 MONTH 1</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</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 details the Monitoring position for Month 1 (ending 30 April 2013). There are separate appendices for Revenue and Capital.

#### **2.0 RECOMMENDATIONS**

2.1 Revenue

a) That the monitoring position of a balanced position for revenue is noted and that this position is after funding of a Redundancy Reserve of up to £5.5 million.

2.2 Capital

a) That the monitoring position for capital is noted.  
b) That the revised capital programme as detailed in the capital monitoring appendix is agreed.

#### **3.0 BACKGROUND AND KEY ISSUES**

3.1 Throughout the financial year Cabinet will receive monthly updates in respect of Revenue and Capital Monitoring. This is the first report for the 2013/14 financial year.

#### **4.0 RELEVANT RISKS**

4.1 The possible failure to deliver the Revenue Budget is a risk which will be mitigated by a number of actions including regular review and reporting, training for budget managers and use of a tracking system to monitor delivery of savings.

4.2 The possible failure to deliver the Capital Programme will be mitigated by the fortnightly review by a group of officers, charged with improving performance.

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

5.1 No other options were considered.

## **6.0 CONSULTATION**

6.1 No consultation has been undertaken relating to this report. .

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

7.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

## **8.0 RESOURCE IMPLICATIONS**

8.1 The financial implications are detailed within the Appendices.

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

## **9.0 LEGAL IMPLICATIONS**

9.1 The Chief Finance Officer is under a personal duty under the Local Government Finance Act 1988 section 114A to make a report to the executive if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 There are no equality implications arising from this report.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no implications arising directly from this report. These are included in reports to Cabinet on individual schemes and in the Carbon Budget report.

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

12.1 There are no implications arising directly from this report.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 To comply with legal requirements to ensure that expenditure is likely to be within the limit of resources available.

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## **APPENDICES**

Appendix A Revenue Monitoring 2013-14 Month 1 (April 2013)  
Appendix B Capital Monitoring 2013-14 Month 1 (April 2013)

## REFERENCE MATERIAL

None

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Revenue Monitoring 2012/13	Monthly reports since
Cabinet – Capital Monitoring 2012/13	September 2013

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## CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>REVENUE MONITORING 2013-14 MONTH 1 (APRIL 2013)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

**1 EXECUTIVE SUMMARY**

- 1.1 This report sets out the revenue position for 2013-14 at Month 1 (April 2013) and actions to minimise risk. It has been revised with the addition of four sections.

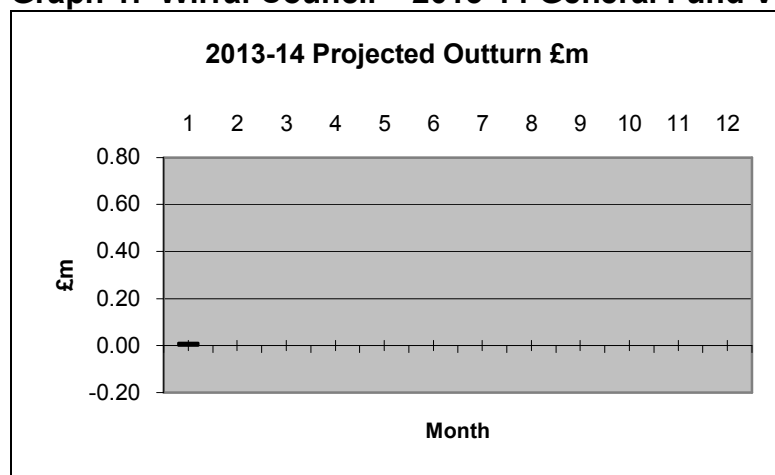
**2 RECOMMENDATIONS**

Cabinet is asked to note:

- 2.1 at Month 1 (April 2013), the full year forecast projects a balanced General Fund outturn. The monitor also reflects the identification of funding of up to £5.5 million towards the funding of agreed redundancy costs.
- 2.2 there were no rejected freeze items in the month;
- 2.3 the changes to the report, with the addition of new sections to improve control.

**3 OVERALL POSITION AT MONTH 1 (APRIL 2013)**

- 3.1 The projected revenue forecast for the year at Month 1 shows a balanced General Fund position. A number of departmental underspends have been earmarked against ongoing or emerging financial issues and whilst it has been assumed that a small number of overspend variances arising from slippage against targets will be funded from the savings profile account.

**Graph 1: Wirral Council – 2013-14 General Fund Variance, by month**

3.2 New sections have been introduced to improve control, and concentrate attention on areas of risk that are a feature of this year's budget. The new sections are:

- Section 5 Implementation of savings, in the short and medium term – tracking the progress on achieving the savings, be they the Council March 5 savings package, one-off funding, or the spending freeze;
- Section 6 Control of growth - estimates of growth, made in November 2012, are checked against actual demand before being released;
- Section 7 Income and debt – tracking improvements in the recovery of income and the reduction in the level of debts;
- Section 9 Cash flow – introduce proactive measures to improve the Council's cashflow and earn more income from interest.

#### 4 CHANGES TO THE AGREED BUDGET AND VARIATIONS

4.1 The Budget for 2013-14 was agreed by Council on March 5, 2013 and is detailed in Annex 2; any increase in the Budget has to be agreed by full Council. Changes to the budget have occurred since it was set and these are summarised in the table below. These are detailed in Annex 3.

**Table 1: 2013-14 Original & Revised Net Budget by Department £000's**

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 1	Revised Net Budget
Chief Executive	8,240		-4,602	3,638
People - Adult Social Services	82,951		-	82,951
People - Children & YP, & Schools	91,738		-1,180	90,558
People – Safeguarding	685		1,396	2,081
People – Sports and Recreation	8,904		-	8,904
Places - Environment & Regulation	79,651		-	79,651
Places – Housing & Comm Safety	15,342		-569	14,773
Places – Regeneration	5,134		-	5,134
Transformation & Resources	12,424		4,955	17,379
Corporate Growth & Savings	-3,252		-	-3,252
<b>Net Cost of Services</b>	<b>301,817</b>		<b>0</b>	<b>301,817</b>

4.2 A new council structure has been introduced for 2013/14. The Budget Book and forecasts 2013/16 was published with a number of assumptions regarding service splits which were to be refined. A number of changes have since been identified. Corporate and Democratic Services are to be grouped within the Transformation and Resources Directorate where direct management control for these areas lies. A support post has also been transferred from Transformation and Resources to the Chief Executive's Directorate. The anti-social behaviour team is part of the Families and Well Being Directorate - Children and Young People and the budget has therefore been transferred from Housing and community safety. A number of training and legal posts have been transferred from Children and Young People to Transformation and Resources, and finally Quality Assurance and Family Group Conferencing have been transferred from Specialist Services in Children and Young People to the Joint Safeguarding unit.

4.3 The main report will only comment on large variations (Red and Yellow items). The 'variations' analysis, over 27 budget areas, distinguishes between overspends and underspends. The 'risk band' classification is:

- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over -£301k)
- Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to -£140k); Blue (-£141k to -£300k)

**Table 2: Extreme Departmental Projected Budget variations**

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	0	0	0.0%
Yellow Underspend	0	0	0	0	0	0.0%

The full Table is set out at Annex 4

- 4.4 The reporting process identifies over or underspends and classifies them into risk bands. The projection is for no over or underspend for 2013-14, as set out in the table below, which records no departments as red or yellow:

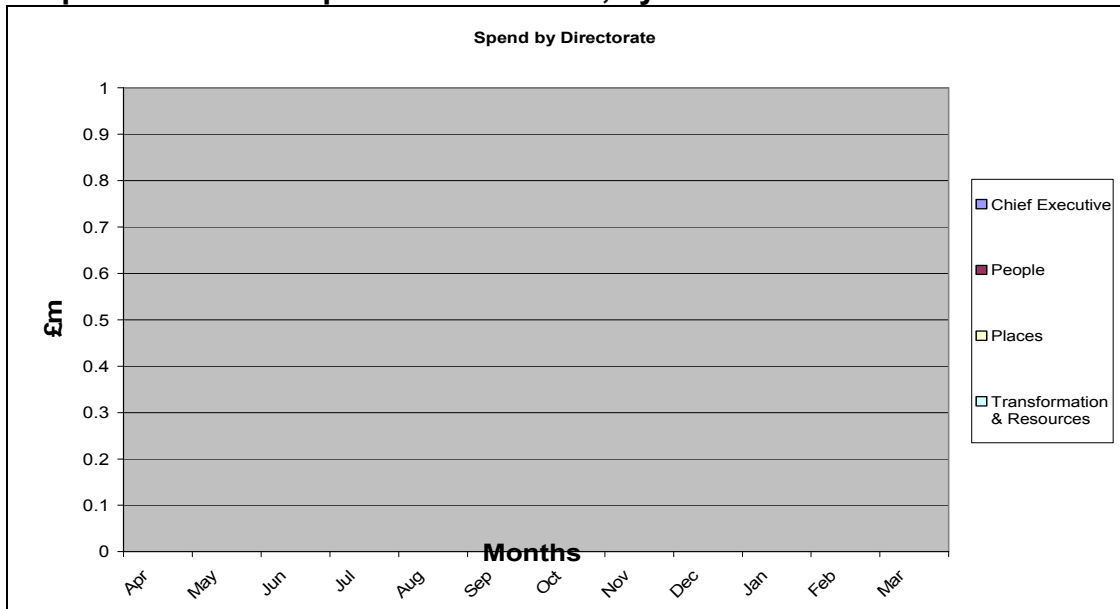
**Table 3: 2013-14 Projected Budget variations by Department £000's**

Department	Revised Budget	Forecast Outturn	(Under) Overspend Month 1	RAGBY Classification	Change from prev mth
Chief Executive	3,638	3,638	0	G	n/a
People - Adult Social Services	82,951	82,951	0	G	n/a
People - Children & YP, & Schools	90,558	90,558	0	G	n/a
People – Safeguarding	2,081	2,081	0	G	n/a
People – Sports and Recreation	8,904	8,904	0	G	n/a
Places - Environment & Regulation	79,651	79,651	0	G	n/a
Places – Housing & Comm Safety	14,773	15,064	291	A	n/a
Places – Regeneration	5,134	4,843	-291	B	n/a
Transformation & Resources	17,379	17,379	0	G	n/a
Corporate Growth & Savings	-3,252	-3,252	0	G	n/a
<b>TOTAL</b>	<b>301,817</b>	<b>301,817</b>	<b>0</b>		<b>-</b>

- 4.5 Within the various departments there have been the following developments:

- **Chief Executive:** No variations are forecast at present.
- **People:** No overall variance is forecast at present. Some savings have been achieved within Adults and Children but are earmarked for use as below.
  - Adults: Monies have been earmarked to cover an adjustment to income of £2m to reflect the actual in year performance, and a further £0.5m has been earmarked against liabilities relating to past Social Services debt. A further £0.6m has been earmarked against repayment of the one-off funding provided in 2013-14.
  - Childrens: A number of variances have been assumed at this point to be covered by the corporate savings profiling account whilst £0.7 million has been earmarked against repayment of the one-off funding provided in 2013-14.
- **Places:** The Housing and Community Safety variance is mainly a result of a grant which has previously been incorporated into formula grant. This is in effect a bad budget. If not fixed, the variance would have to be covered on a temporary basis from the Regeneration business area.
- **Transformation & Resources:** No variations are forecast at present.

**Graph 2: 2013-14 Department Variance, by month**



4.6 To complete the analysis, the table below sets out the position by category of spend/income. The largest area of variance remains supplies and services which incorporates the cost of care for adults and children.

**Table 4: Projected Departmental Variations by Spend and Income**

	Revised Budget	Forecast Outturn	Variance	RAGBY	Change from Previous
	£000	£000	£000	£000	£000
<b>Gross Expenditure</b>					
Employees	139,265	139,534	269	A	n/a
Premises	16,941	17,063	122	G	n/a
Transport	7,684	7,685	1	G	n/a
Supplies and Services	128,623	126,241	-2,382	Y	n/a
Third Party Payments	122,155	122,256	101	G	n/a
Transfer Payments	141,017	141,017	0	G	n/a
Support Services	73,778	73,799	21	G	n/a
Financing Costs	58,406	58,406	0	G	n/a
Schools Expenditure	211,961	211,961	0	G	n/a
<b>Total Expenditure</b>	<b>899,830</b>	<b>897,962</b>	<b>-1,868</b>		-
<b>Gross Income</b>					
Schools Income	209,366	209,366	0	G	n/a
Government Grants	183,234	183,013	-221	A	n/a
Other Grants and Reimbursements	19,674	19,674	0	G	
Customer/Client Receipts	47,695	45,904	-1,791	R	n/a
Interest	872	892	20	G	n/a
Recharge Other Rev A/c	137,172	137,296	124	G	n/a
<b>Total Income</b>	<b>598,013</b>	<b>596,145</b>	<b>-1,868</b>		-
<b>Net Expenditure</b>	<b>301,817</b>	<b>301,817</b>	<b>0</b>		-

4.7 Schools expenditure is funded from the Dedicated Schools Grant. As this grant is ringfenced any over/underspend will not impact on the General Fund.

4.8 Since agreeing the 2013/14 budget, a number of budgetary issues have arisen



which may require further corrective action. Work is underway to verify the values concerned and where possible reduce their impact. A number of items have been dealt with within this monitor. Details of these issues are at [Annex 12](#), Updates on the above position will be provided in future monitor reports.

## 5 IMPLEMENTATION OF 2013-14 SAVINGS – THREE TYPES

- 5.1 The delivery of the **March 5 Council** savings (Type 1) is so key to the Council's financial health, that they are being tracked at Council and Directorate level. The assumption is that, where there is slippage, the Strategic Director will implement replacement savings. The detail is at [Annex 5](#).

**Table 6: Budget Implementation Plan 2013-14 whole Council (£000's)**

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at April	To be Delivered
B - delivered	17	9,927	9,927	0
G – on track	38	27,430	0	27,430
A - concerns	15	10,988	0	10,988
R - failed	0	0	0	0
<b>Total</b>	<b>70</b>	<b>48,345</b>	<b>9,927</b>	<b>38,418</b>

Note: Budget Book page 56-58. Savings delivered have increased since April to. £16.7 million.

P – replacements for Red	0	0	0	0
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- 5.2 There are currently no savings options identified as red rated.
- 5.3 The **one-off funding** in 2013-14 for Adults and Children, requires that they identify equivalent savings (Type 2) during 2013-14 for 2014-15. It is expected that some of the savings will start in 2013-14. As this is identified, it will be presented in Table 7 below and detailed in [Annex 6](#):

**Table 7: Replacing £13.7m one-off 2013-14 funding (£000's)**

BRAG	Brought forward from previous years	Number of Options	Saving Proposed 2013-14	Saving Delivered 2013-14	Saving Proposed 2014-15	Saving Proposed 2015-16	Total Saving Proposed 2013-16
Adults 9.1	622	30	3,122	0	4,209	1,415	8,746
Children's 4.6	473	7	1,500	950	0	0	1,500
Use of 2013/14					1,300		1,300
<b>Total 13.7</b>	<b>1,095</b>	<b>37</b>	<b>4,622</b>	<b>950</b>	<b>5,509</b>	<b>1,415</b>	<b>11,546</b>

Note: Further proposals require identifying. Total proposals may end up being greater than target to allow for slippage. Any savings achieved in 2013/14 will reduce the agreed call on reserves in 2013/14. Assumed £1.3million of 2013/14 savings can be used to fund 2014/15 target.

- 5.4 The **spending freeze** (Type 3) has been extended for April-June 2013, for the three reasons set out below:
1. **Risk.** The increased level of financial risk in 2013 included items that introduced change from April 2013 for which there was no evidence on which to judge that the risk had diminished, remained the same, or increased. Therefore, the prudent response, whilst waiting for evidence to emerge, was to reign in expenditure;

2. **Closedown.** The outturn for 2012-13 would not be available to Cabinet until June 13<sup>th</sup>. To cover the possibility that it could be worse than the M11 forecast, of an overspend of £7.4m, the prudent response was to continue the spending freeze;

3. **Change.** The 2013-14 budget has built into a greater level of savings than has ever been attempted in the Council's history. Although reasonable assumptions have been made, there is the danger that a worse case could occur. Cover for that eventuality, via a spending freeze, would be prudent until there is evidence of successful implementation.

5.5 The detailed freeze items are set out at [Annex 7](#). The purpose of the exercise is to reduce any projected overspend, which by Section 28 of the Local Government Act 2003, is the duty of the Council, that is, all of its Members.

5.6 The 2013-14 Revenue Budget resolved a number of Bad Budgets that were identified during the year. This has been done in a number of ways:

- Base budgets were increased by £8.0 million;
- One-off funding of £13.7 million (see paragraph 5.3 above);
- Suppressing Demand by £3.4 million.

Suppressed demand in Children and Young People totals £1.9m which will be managed during the year. 2012-13 saw improvement in care costs and transport, which resulted in bad budgets and budget growth pressures being less than anticipated. Budgets were also reduced where savings were achieved in 2012-13 in areas such as Children in Need, Traded Services, and general expenditure controls.

The remaining suppressed demand of £1.5million relates to DASS. Future monitors will detail actions being put into place to deliver this.

5.7 The 2013-14 budget includes a savings profiling account of £2 million and a Change Management Implementation Fund of £4 million. The majority of savings included within the budget were calculated on a full year basis. However it was known that a number of savings would only achieve a part year impact in 2013/14. This is particularly the case where staffing reductions were required. The above accounts will be used to fund any slippage. The delivery of savings is under constant review. At this stage a call on the funds may be in the region of £3 million mainly due to the impact of part year staffing savings. This figure will be updated as the year progresses

## **6 CONTROL OF GROWTH**

6.1 The impact of demographic change and financial cover for risk - that is, outcomes that could be worse than assumed - was built into the budget, as set out in Tables 8 and 9, and is detailed at [Annex 8](#). What is important is that estimates of growth for 2013-14, made in November 2012, are checked against actual demand so that any over-estimate is clawed back. Equally, the funding to cover risk can only be accessed for 2013-14 where evidence can be adduced for that funding.

**Table 8: Growth £000's**

Department	2013/14 Budget	2013/14 Release	2014/15 Budget	2015/16 Budget
CYP Total	1,230	-	-	-
DASS Total	3,717		2,202	1,805
LHRAM Total	-		-	573
RHP Total	-		-	1,000
Technical Total	12		72	72
Finance Total	237		-	-
	<b>5,196</b>		<b>2,274</b>	<b>3,450</b>

**Table 9: Risk £000's**

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013/14 Release	2014/15 Budget	2015/16 Budget
Pay Inflation	1,700		3,400	5,400
Superannuation Revaluation	0		2,500	2,500
Change Management Implementation Fund	4,000		-	
Savings Profiling	2,000		-	
Price inflation unallocated				1,000
Growth unallocated			726	-
	<b>7,700</b>		<b>6,626</b>	<b>8,900</b>

Note: inflation incorporated into departmental budgets amounts to £2.464m

## 7 INCOME AND DEBT

- 7.1 The Council's income arrangements with regard to non Council Tax and Business Rates were reviewed and reported to the May 23 Cabinet. Revenue and Income falls into the four broad areas shown below for reporting purposes, which will be developed:

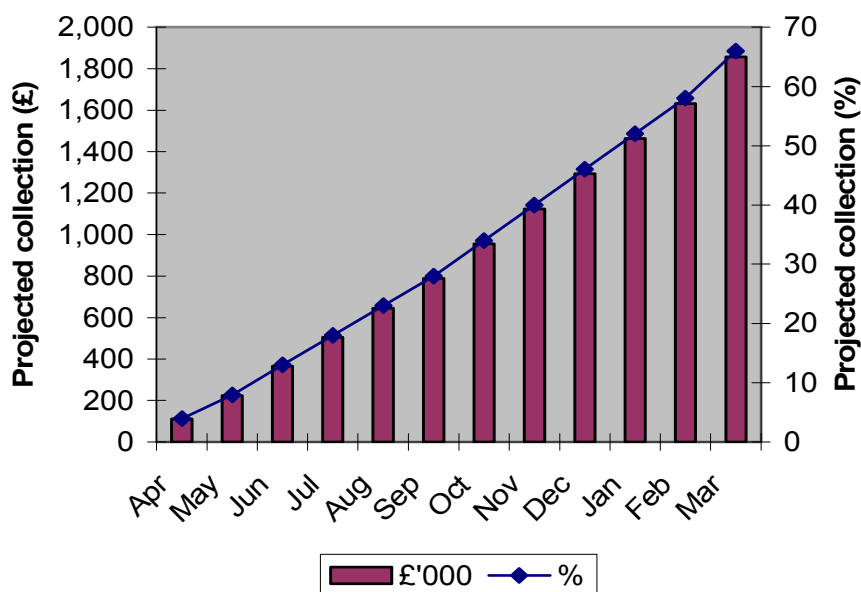
**Table 10: Amount to be collected in 2013-14 £000's**

	2013-14		
	Collectable	Collected	%
Council Tax	135,431	13,441	9.9
Business Rates	70,097	6,696	9.6
Fees and charges – Adults	22,402	4,848	21.6
Fees and charges – all other services	19,197	8,035	41.9

- 7.2 There is a backlog of Accounts Receivable debt to be processed in the last two areas. Reporting will continue until a normal level of debt is reached. The detail is at [Annex 9](#).
- 7.3 A high risk income item is that required from residents who previously paid no Council Tax. The graph will track collection performance against the budget assumption.

**Graph 3: Projected / Actual Council Tax Support Collection by month £000**

**Council Tax Support Collection 13-14**



7.4 The council tax support scheme was introduced in April. As this involves billing a large number of properties who have not previously paid Council Tax, having previously received benefit at 100%, an overall collection rate of 75% has been assumed. The forecast is that 66% will be collected by 31<sup>st</sup> March with recovery actions post 31<sup>st</sup> March increasing the figure to 75%. At 30<sup>th</sup> April collection was as forecast (4%).

7.5 Issues regarding the collection of sundry debt were reported to Cabinet on 23 May 2013. The use of reserves had been earmarked to fund any increased need for debt write offs or increase to the bad debt provision. A significant amount of income has been received to reduce the level of debt and therefore the call on reserves. There is a need to fund the costs of severance and associated increased pension costs in the year of up to £5.5 million. It is proposed that any unused reserves are re used for this purpose

7.6 Business Rates income collection was 9.6% during April. This was approximately £200,000 less than the equivalent period in 2012-13. The difference in the level of collection is largely due to Health Authority bulk payments which were received in April last year and only received in May this year.

**8 MANAGEMENT ACTIONS**

8.1 The Departmental Directors and the Chief Executive’s Strategy Team will seek to identify actions to keep spend within the Budget allocated – these actions are detailed in Annex 10. The spending freeze agreed decisions are reflected within the tables above.

8.2 It is proposed that, as part of the budget architecture, prudent budget management is rewarded at the year-end, with the ability to carry forward underspends. Equally, less than prudent budget management will require that

departments fund any overspending from the following year's budget. The detailed guidance will be presented for approval shortly.

## 9 CASHFLOW

9.1 As part of the development of monitoring, cost centre managers are embarking on the profiling of their budgets to reflect how spend actually occurs. Eventually we should be able to be proactive in deciding when spend will take place, and get income to arrive earlier to improve the Council's cashflow and earn more income from interest. This section will develop over the year.

## 10 RELEVANT RISKS

10.1 The possible failure to deliver the Revenue Budget will be mitigated by:

- The training of cost centre managers to improve skill levels; four events on profiling and forecasting budgets have been delivered to over 160 cost centre managers with the next event planned on building next year's budget.
- A specific tracking system of savings to ensure delivery;
- Improvements to procurement compliance, to generate more savings and better monitoring information;
- A monthly review by Chief Officers, and Cabinet, together with an improved Scrutiny regime, and greater transparency;
- Individual monthly review by Cabinet Portfolio holder at portfolio meeting;
- A successful capitalisation submission will reduce the call on revenue resources.

## 11 OTHER OPTIONS CONSIDERED

11.1 Any option to improve the monitoring and budget accuracy will be considered.

## 12 CONSULTATION

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

## 13 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

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

## 14 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

14.1 Cabinet 18 February 2013 agreed a revised 2013/14 General Fund balance risk calculation of a minimum of £13 million. The level to be achieved by March 2014 is £17.7m.

**Table 11: Summary of the projected General Fund balances**

Details	£m	£m
Projected balance 31 March 2014 when setting the Budget 2013-14		+13.6
Add: Estimated increase following completion of 2012-13 revenue accounts	+3.6	+3.6
Add/Less : In year under/overspends		0.0
Projected balance 31 March 2014		17.2

Note: these figures are subject to change as the 2012/13 accounts are currently being finalised and include possible revenue savings of £0.9m from the proposed capital outturn.

14.2 The current levels of Earmarked Reserves are shown in Table 12 with a full listing included at [Annex 11](#). Earmarked Reserves are currently forecast to be £64.9 million which compares to £86.2 million reported in the June 2012

**Table 12: Earmarked Reserves 2013/14**

	Balance at 1 April 2013 £000	Movement in year £000	Current Balance 30 April 2013 £000
Housing Benefit Reserve	10,155	-	10,155
Insurance Fund	7,820	-	7,820
Working Neighbourhoods Fund	761	-	761
Redundancy Fund	5,500	-	5,500
Grant Reserves	1,108	-	1,108
Management of other risks	25,898	-	25,898
School Balances and Schools Related	<u>13,684</u>	-	<u>13,684</u>
<b>Total Reserves</b>	<b>64,926</b>		<b>64,926</b>

Note: these figures are subject to change as the 2012/13 accounts are currently being finalised

- 14.3 On the same agenda is the provisional outturn for 2012-13. Careful consideration has been given to any proposals from departments to increase earmarked reserves and provisions. Additional verification will be required as part of the 2012/13 closure of accounts process to ensure that the control of the revenue budget overspend continues to have the highest priority.

## **15 LEGAL IMPLICATIONS**

- 15.1 The entire report concerns the duty of the Council to avoid a budget shortfall as outlined at paragraph 5.5. This is not just an academic exercise in balancing the books. The Chief Finance Officer is under a personal duty under the Local Government Finance Act 1988 section 114A to make a report to the executive if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

- 15.2 If the Chief Finance Officer reports that there are insufficient resources to meet expenditure, the Council is prevented from entering into any new agreement which may involve the incurring of expenditure at any time by the authority, until the report is considered, and if the problem is ongoing until it is resolved. It is remarkably broad in its prohibition of new agreements, no matter what their scale. It would not only prevent the authority from hiring new staff or letting new construction contracts, but from ordering minor office supplies.

## **16 EQUALITIES IMPLICATIONS**

- 16.1 This report is essentially a monitoring report which reports on financial performance. Any budgetary decisions of which there are none in this report would need to be assessed for any equality implications.

## **17 CARBON REDUCTION IMPLICATIONS**

- 17.1 There are no implications arising directly from this report.

## **18 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 18.1 There are no implications arising directly from this report.

## **19 REASONS FOR THE RECOMMENDATIONS**

- 19.1 The Council, having set a Budget at the start of the financial year, needs to

ensure that the delivery of this Budget is achieved. This has to be within the allocated and available resources to ensure the ongoing financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required which is enhanced with the monthly reporting of the financial position.

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## Annexes

- Annex 1 Revenue Monitoring and Reporting Timetable 2013/14.
- Annex 2 General Fund Revenue Budget for 2013/14 agreed by Council.
- Annex 3 Changes to the Budget 2013/14 since it was set.
- Annex 4 RAGBY Full Details
- Annex 5 Savings tracker
- Annex 6 Adults/Children's Replacing one-off 2013-14 funding
- Annex 7 Freeze Outcomes
- Annex 8 Growth and Risk
- Annex 9 Income and Debt
- Annex 10 Management actions
- Annex 11 Earmarked Reserves – General Fund
- Annex 12 Budgetary Issues

## SUBJECT HISTORY

Council Meeting	Date
From September 2012, the Revenue monitoring reports are being submitted monthly.	
Budget Council	5 <sup>th</sup> March 2013

## REVENUE MONITORING AND REPORTING TIMETABLE 2013/14

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Reports Available For The Executive Strategy Group	Reports Available For Cabinet	Reports Available For Council Excellence Overview & Scrutiny Committee
			Monthly	Monthly	Quarterly
1	April	May 8	May 28	June 13	-
2	May	Jun 7	June 25	July 11	-
3	June	Jul 5	Aug 20	Sept 5	01-Oct
4	July	Aug 7	Sept 24	Oct 10	-
5	August	Sept 6	Sept 24	Oct 10	-
6	September	Oct 7	Oct 22	Nov 7	27-Nov
7	October	Nov 7	Dec 2	Dec 18	-
8	November	Dec 6	Jan 19	Feb 4	-
9	December	Jan 8	Feb 1	Feb 17	26-Mar
10	January	Feb 7	Feb 25	Mar 13	TBC
11	February	Mar 7	TBC	TBC	TBC
12	Outturn (Provisional)	TBC	TBC	TBC	TBC



## AGREED BY COUNCIL ON 5 MARCH 2013

<b>Directorate/Service Area</b>	<b>Current Budget</b>
<b>Expenditure</b>	<b>£</b>
Chief Executives	8,239,800
Families and Well Being	
Children and Young People	89,143,300
- Adult Social Services	82,950,800
- Safeguarding Plus Schools and Schools Grant	3,280,500
-Sports and Recreation	8,904,000
Regeneration and Environment	100,127,300
Transformation and Resources	12,423,500
<b>Net Cost of Services</b>	<b>305,069,200</b>
Corporate Growth	7,700,000
Corporate Savings	10,952,000
<b>Budget Requirement</b>	<b>301,817,200</b>
Income	
Local Services Support Grant	45,000
New Homes Bonus	2,119,500
Revenue Support Grant	106,968,000
Business Rtes Baseline	31,424,000
Top Up	39,739,000
Council Tax Requirement	111,357,800
Contribution from General Fund Balances	10,163,900
<b>Total Income</b>	<b>301,817,200</b>
Statement of Balances	
As at 1 April 2013	23,800,000
Contributions from Balances to support budget	10,163,900
<b>Forecast Balances 31 March 2014</b>	<b>13,636,100</b>

### Annex 3 CHANGES TO THE BUDGET AGREED SINCE THE 2013-14 BUDGET WAS SET

These comprise variations approved by Cabinet / Council including approved virements, budget realignments reflecting changes to the departmental structure and responsibilities, and expenditure freeze decisions, as well as any technical adjustments.

**Table 1: 2013-14 Original & Revised Net Budget by Department**

	Original Net Budget	Approved Budget Virements Mth 1	Previous Freeze Decisions	Approved Budget Virements Mth 2 -12	Revised Net Budget
	£000	£000	£000	£000	£000
Chief Executive	8,240	-4,602	-	-	3,638
People - Adult Social Services	82,951	-	-	-	82,951
People - Children & YP, & Schools	91,738	-1,180	-	-	90,558
People – Safeguarding	685	1,396	-	-	2,081
People – Sports and Recreation	8,904	-	-	-	8,904
Places - Environment & Regulation	79,651	-	-	-	79,651
Places – Housing & Comm Safety	15,342	-569	-	-	14,773
Places – Regeneration	5,134	-	-	-	5,134
Transformation & Resources	12,424	4,955	-	-	17,379
Corporate Growth & Savings	-3,252	-	-	-	-3,252
Freeze decisions	-	-	-	-	-
<b>Net Cost of Services</b>	<b>301,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>301,817</b>

#### Relating to the completion of the 2012-13 accounts

Cabinet	Items	£m

#### Variations to the approved budgets 2013-14

Cabinet	Items	£m
n/a	Corporate and Democratic Services to be grouped within the Transformation and Resources Directorate where Direct management control for these areas lies	4.639
n/a	The Anti-Social Behaviour team is part of the Families and Well Being Directorate - Children and Young People and the budget has therefore been transferred from Housing and community safety.	0.569
n/a	Quality Assurance and Family Group Conferencing have been transferred from Specialist Services in Children and Young People to the Joint Safeguarding unit where direct management control lies.	1.396
n/a	A support post has also been transferred from Transformation and Resources to the Chief Executive's Directorate.	0.037
n/a	A number of training and legal posts have been transferred from Children and Young People to Transformation and Resources	0.353
	<b>OVERALL IMPACT OF THESE DECISIONS</b>	<b>0.0</b>

#### Virements below level requiring Cabinet approval

Cabinet	Items	£m

## Annex 4 - RAGBY FULL DETAILS

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Chief Executive	4	0	0	4	0	0
Adult Social Services	2	0	1	0	1	0
Children & Young People, & Schools	7	0	0	7	0	0
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	1	0	0
Environment & Regulation	2	0	0	1	1	0
Housing & Comm Safety	1	0	1	0	0	0
Transformation & Resources	7	0	0	7	0	0
Corporate Growth & Savings	2	0	0	2	0	0
<b>Total</b>	<b>27</b>	<b>0</b>	<b>2</b>	<b>23</b>	<b>2</b>	<b>0</b>

### RAGBY REPORTING AND OTHER ISSUES

The Red and Yellow RAGBY issues that are the subject of corporate focus are detailed in the following sections by

- Business Area (by Department identifying the service in the Council Estimates (Green Book).) and,
- Subjective Area (by the type of spend / income).

#### Business Area Reds

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	0	0	0.0%

#### Business Area Yellows

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Yellow underspend	0	0	0	0	0	0.0%

#### Subjective Area Reds

##### Expenditure

**Customer/Client Receipts:** The forecast of £1.8 million below budget is due to the £2m income adjustment referred to in paragraph 4.5 in the main report.

#### Subjective Area Yellows

##### Expenditure

**Supplies and Services:** The forecast £2.4 million underspend is a result of various savings within Adult Social Services, Children and Young People, and Regeneration and Environment.

## Annex 5 SAVINGS TRACKER

### 1 Summary

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at April	To be Delivered
B - delivered	15	9,573	9,573	0
G – on track	40	27,784	0	27,784
A - concerns	15	10,988	0	10,988
R - failed	0	0	0	0
<b>Total</b>	<b>70</b>	<b>48,345</b>	<b>9,573</b>	<b>38,772</b>

P – replacements for R	0	0	0	0
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### 2 Detail

#### SAVINGS (TYPE 1) TARGETS – ACHIEVEMENT OF THE SAVINGS (2013-14)

##### Families and Well Being - DASS

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Community Meals	169	Contract to cease at the end of tenure in June 2013.	G
Charging for Non Residential Services	880	Implemented	G
Targeted Support through NHS Contracts	1,828	All clients no longer requiring double handling identified contract performance to be monitored. (£83k)	G
		Use of Social Fund Grant Allocation.(£800k)	A
		Service specifications and procurement schedule for re-ablement and domiciliary care in progress to enable contracts to be let from 1st October 2013. (£84k)	G
		Targets being prepared for residential placement numbers. Need to reflect the new neighbourhood structures. (£454k)	A
		Continuing Health Care – correct application of law and policy. (£377k)	A
Extra Care Housing/External Respite and Short-term Provision	300	Extra Care Housing Provider Negotiations continue.	G
		Revised Respite Policy to be produced and review the feasibility for block contracts for respite	A
Residential and Respite Care	160	Ongoing review of 4 clients transferring to supported living	G
Day Care and Day Services Transformation	750	Consultation completed and service proposals finalised	G

Review of Support for Carers	250	Letter issued and reviews planned for one-off payments, payments not related to client assessed need, and payments to related individuals	G
Assistive Technology	150	Charges to be introduced 1st July 2013	A
Review of VCF Sector Grants	705	Implemented	B
Review of Residential Care for Learning Disabilities	300	Overarching general framework, fee structures and outcomes approach agreed. Provider Consultation started	G
Review of Equipment Service	100	Revised S75 in place for 2013-14 with Community Trust. Discussions to commence with NHS re revised hosting arrangements	A

### Families and Well Being - Childrens

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Education Psychology Service	80	This has been achieved through existing vacancies in the service.	B
Schools Budget	250	Reduction in Council contribution towards Schools PPM	B
School Improvement and Income from Schools	160	The review of the school improvement programme is on track, as is anticipated buy back of services from Academies.	G
Careers, Education and Advice	700	Contract renegotiation has achieved this saving for the full year.	B
Transport Policies	250	Implementation of changes in DASS transport delayed until after consultation on Day Care. DASS are taking the lead on this saving.	A
Area Teams for Family Support	200	Restructure is underway, but anticipated slippage of £30k.	A
Schools Music Service	21	Will be achieved on target.	B
Oaklands Outdoor Education Centre	23	Will be achieved on target.	G
Foundation Learning	121	Reduced commissioning has achieved this saving	B
Commissioning of Parenting Services	700	Reduced commissioning has achieved this saving	B
Youth and Play Services	687	Restructure underway, but slippage of £100k is anticipated.	G
Youth Challenge	200	Reduced provision has achieved this saving	B
Children's Centres and Sure Start	1,576	Slippage in transfers and restructure is anticipated at 241k	A
Short Breaks for Children with Disabilities	150	Reduced commissioning has achieved this saving	B
Child and Adolescent Mental Health Service	250	Restructure is underway, but anticipated slippage of £13k	A

## Regeneration and Environment

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Pre-Planning Advice	10	On target to be achieved	G
Home Insulation	926	Programme ended saving achieved	B
Pest Control	30	There is some of slippage on this budget saving due to a delay in the departure of an employee and the associated costs. It is expected that this slippage will be managed within existing budget resources.	G
Invest Wirral	352	This saving is on target - the funding related to economic activities that are no longer continuing.	G
Car Parking	281	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from an increase in income generated from the review of car parking charges. The income target will be closely monitored throughout the year and currently there are no problems envisaged to achieving this saving.	G
Garden Waste Collection	582	The garden waste subscription service starts from June and to date over 15,000 residents have signed up for the service. At present, there are no immediate concerns to achieving this budget saving.	G
Household Waste Collection	80	An increase in the charge for the ERIC service has been agreed and the budgeted income target increased accordingly. However, increasing the range of charges for replacement wheelie bins has not yet been implemented due to resource problems within the CRM. This delay in implementation creates £4k of slippage per month on this budget saving.	A
Apprentice Programme	420	Savings achieved	B
Handyperson Scheme	209	There is some of slippage on this budget saving due to a delay in the departure of employees. It is expected that this slippage will be managed within existing budget resources.	G
Trading Standards	71	This budget savings option involved the reduction of two posts within the section. One of these posts was already vacant and so the saving will be achieved. There will be some of slippage with the saving on the other post due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources.	G

Highway Maintenance	588	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a reduction in maintenance works. This reduction has already been built into the works plan of the service and will therefore, be achieved.	G
Street Cleansing	1,000	A reduction in cleansing frequency has been negotiated with the Council's contractor. These changes take effect from July 2013. However, it is expected that there will be slippage of £250k in the budget savings due to these changes not being in place for the start of the financial year. At present it is unlikely that all this slippage can be managed within existing budget resources.	A
School Waste	180	An income target has been created which will be monitored throughout the year. Currently there are no problems envisaged to achieving this saving.	G
Street Lighting	265	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a reduction in maintenance works. This reduction has already been built into the works plan of the service and will therefore, be achieved.	G
Highway Drainage	106	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a rationalisation of inspections. This rationalisation has already been built into the inspection programme and will therefore, be achieved.	G
Reduction in Parks Maintenance	450	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a reduction in maintenance works. This reduction has already been built into the works plan of the service and will therefore, be achieved.	G
Housing Support for BME Communities	111	There is some of slippage on this budget saving due to a delay in the departure of employees. It is expected that this slippage will be managed within existing budget resources.	G

Dog Fouling Enforcement	97	On target to be achieved.	G
Modernisation of Leisure	429	Revised shift rotas to match programme changes at each of the Swimming Pools are expected to be fully implemented by July 2013. The initial delay in implementation is expected to result in slippage of £125k on this budget savings option.	A

### Transformation and Resources

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Efficiency Investment Fund	4,400	Cabinet 8 <sup>th</sup> November 2012 agreed to elimination of fund and growth and replacement by rolling fund	B
Local Council Tax Support Scheme	2,785	Scheme introduced and progress being monitored as per section 7.3 above	G
Reducing Council Management	5,000	Broken down as: £318k LHRAM Senior Mgmt – £23k slippage against the target due to people still in post until mid-May. £110k Regulatory Services – slippage of £21k against the target due to people still in post until mid-May.	G G
Reducing the numbers of Agency workers	500	A corporate saving. This is to be allocated to Directorates during the year.	A
Service Restructures	905	Broken down as: £50k Asset Mgmt – delayed restructure but the full £100k should be achieved during 2013-15 £292k HR delayed restructure but it is envisaged that the full saving of £584k will be achieved over the course of 2013-15. £263k related to RHP £300k for Legal Services, of which £100k relates to employees which is expected to be achieved through compensatory budgets with the restructure helping to achieve the £200k that is currently set aside Legal/Court costs which are a very volatile area.	G A G A
Trade Union funding	- 270	The funding for the Trade Unions has been built in with the costs to still be recharged across business areas at the end of the year.	G
Reducing the Cost of Democracy	100	The cost of the Members Allowances has been reduced and the saving is expected to be achieved in this area.	G
The Mayor of Wirral	50	It is expected that Civic Services will be able to achieve this saving from June 2013 and there will be a drive to reduce overtime and supplies to achieve the saving.	G



Procurement	320	Increased commission income is being realised.	G
Treasury Management	1,700	Built into budget to reflect the revised Capital Programme	G
Information Technology Service	210	Staff savings have been incorporated into the budget.	G
Better Use of Buildings	100	Details as to how this saving will be achieved are to be finalised as there are also savings that have rolled forward from previous years relating to assets.	A
Transforming Business Support	500	Saving has been incorporated into the budget. Staff savings are expected and some have already been achieved. Further work is taking place to develop saving.	G
Revenues and Benefits	550	This saving has been built into the budget and staffing levels are in line with its achievement.	B
Marketing and Public Relations	167	Funding removed from budget	B
Tranmere Rovers Sponsorship	135	Sponsorship has ended.	B
Power Supplies - Contract Saving	11	A new supply contract is in place.	B
Reduction in External Audit Fees	140	The budget has been reduced to reflect the new contract and is expected to be fully realised in year.	G
Workforce Conditions of Service	3,800	Negotiations with TUs are concluding. Target saving likely to be £3.7 million. Slippage depending upon agreement is likely	A
Area Forum Funding	391	Savings achieved	B
Libraries and One Stop Shops	391	Staff savings at the budget level are evident in April monitoring.	G
Housing Benefits – Maximisation of Grant	2,000	Saving has been incorporated into the budget and is expected to be achieved.	G
Council Tax Increase	2,600	Saving has been incorporated into the budget and is expected to be achieved.	G
Council Tax: Discounts and Exemptions	2,284	Saving has been incorporated into the budget and is expected to be achieved.	G
Council Tax: Court Costs	2,429	Saving has been incorporated into the budget and is expected to be achieved.	G

**Annex 6 ADULTS/CHILDREN'S REPLACING ONE-OFF 2013-14 FUNDING**

**ADULTS**

<b>Details</b>	<b>Proposed 13-14 (£000)</b>	<b>Delivered 13-14 (£000)</b>	<b>Proposed 14-15 (£000)</b>	<b>Proposed 15-16 (£000)</b>	<b>Comments / progress on implementation</b>
<b>Live savings</b>					
Internal systems and configuration	1,170		745	500	
Service Reviews (for development and future discussion with members)	1,143		2,536	665	
Smarter Finances	809		928	250	
<b>Total all categories</b>	<b>3,122</b>		<b>4,209</b>	<b>1,415</b>	

**Children**

<b>Details</b>	<b>Proposed 13-14 (£000)</b>	<b>Delivered 13-14 (£000)</b>	<b>Proposed 14-15 (£000)</b>	<b>Proposed 15-16 (£000)</b>	<b>Comments / progress on implementati on</b>
Commissioning (saving achieved in advance)	250	250			
Connexions/CEIAG (saving achieved in advance)	300	300			
Transfer Pension costs to Schools Budget	100				
Uncommitted Adoption Grant	200				
Further reduction in PPM programme for schools	200				
Springboard / School Readiness additional budget	400	400			
YOS bring forward service review	50				
<b>Total</b>	<b>1,500</b>	<b>950</b>			

## **Annex 7      FREEZE OUTCOMES**

No decisions have been made in 2013/14 which result in monies being transferred from directorate budgets to the freeze holding account.

## Annex 8 GROWTH AND RISK

### Growth £000's

		2013/14	2013-14
Ref	Department/ Option Title	Budget	Release
	<b>CYP</b>		
5	Independent Reviewing Officers	90	
6	Additional Social Worker Capacity in Wallasey District	315	
7	Social Workers in Schools	75	
8	Family Justice Review	100	
9	Staying Put Policy	100	
12	Foster Care	500	
13	Youth Justice Board Costs	50	
	<b>CYP Total</b>	<b>1,230</b>	
	<b>DASS</b>		
2	Increase in Fees for Residential & Nursing Care to reflect a Fair Price for Care	1,000	
4	Increase in Demand (Young Adults with Learning Disabilities)	944	
5	Increase in Demand (Older People)	1,773	
	<b>DASS Total</b>	<b>3,717</b>	
	<b>Technical</b>		
3	Annual Property Uplift Biffa contract	12	
	<b>Technical Total</b>	<b>12</b>	
	<b>Finance</b>		
1	Reduction in HB Admin grant 2013/14	237	
	<b>Finance Total</b>	<b>237</b>	
		<b>5,196</b>	

### Risk £000's

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013-14 Release
Pay Inflation	1,700	
Superannuation Revaluation	0	
Change Management Implementation Fund	4,000	
Savings Profiling	2,000	
Price inflation unallocated		
Growth unallocated		
	<b>7,700</b>	

## Annex 9 INCOME AND DEBT

### Council Tax

The following statement compares the amount collected for **Council Tax** in the period 1 April 2013 to 30 April 2013 with the amount collected in the same period in 2012/13:

	<b>Actual 2013/14</b>	Actual 2012/13
	£	£
Cash to Collect	<b>135,431,260</b>	126,124,221
Cash Collected	<b>13,441,199</b>	13,074,447
% Collected	<b>9.9%</b>	10.4%

Council Tax benefits has been abolished and replaced by Council Tax support and the numbers and awards as at 30 April 2013 are as follows:

Number of <b>Council Tax Support</b> recipients:	<b>38,660</b>
Total Council Tax Support expenditure:	<b>£28,176,013</b>
Number of pensioners:	<b>16,586</b>
Number of vulnerable:	<b>6,040</b>
Number of working age:	<b>16,034</b>

The level of collection reflects the increased charges to those charge payers now in receipt of Council Tax Support and having to pay a minimum of 22% of the annual charge as well as the increase charges in respect of reduced discounts and exemptions.

### Business Rates

The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2013 to 30 April 2013 with the amount collected in the same period in 2012/13:

	<b>Actual 2013/14</b>	Actual 2012/13
	£	£
Cash to Collect	<b>70,097,168</b>	68,845,952
Cash Collected	<b>6,696,565</b>	7,179,292
% Collected	<b>9.6%</b>	10.4%

The difference in the level of collection is largely due to Health Authority bulk payments which were received in April last year and only received in May this year.

### Accounts Receivable

The table below shows the old department names and the split at what stage of the recovery cycle they are. From June this will change to the new departments and service titles. It will be developed to reflect changes to the recovery process as these are introduced.

<b>Department</b>	<b>Less than 28 days old £</b>	<b>1<sup>st</sup> or 2<sup>nd</sup> Reminder stage £</b>	<b>Final or Legal stage £</b>	<b>Total Outstanding 30/4/13 £</b>	<b>Total Outstanding 30/4/12 £</b>
<b>Childrens</b>	582,390	464,736	203,121	1,250,247	1,370,447
<b>Corporate Services</b>	368,729	118,476	544,035	1,031,240	1,120,754
<b>Finance</b>	4,320,530	781,780	505,092	5,607,402	2,112,882
<b>Law, HR &amp; Asset Management</b>	250,571	81,514	123,210	455,295	494,136
<b>Regeneration</b>	19,546	5,655	14,510	39,711	27,217
<b>Social Services</b>	4,980,018	4,404,393	8,177,682	17,562,093	19,274,819
<b>Technical Services</b>	417,659	277,770	2,338,216	3,033,602	4,319,619
<i>Less funds received in period to be allocated after month end</i>				-398,754	-724,323
				<b>28,580,836</b>	<b>27,995,551</b>

The above figures are for invoices in respect of the period up to the end of April 2013. Payments and amendments such as write offs and debts cancellations continue to be made after this date on these accounts.

## Annex 10 MANAGEMENT ACTIONS

### ACTIONS TAKEN BY THE EXECUTIVE TEAM/DIRECTORATES TO REDUCE SPEND / INCREASE INCOME

Department	Items	£000
All	Spending freeze to continue during first quarter.	
All	Introduction of Concerto system to monitor progress against savings targets.	
People	Reviews by Adults and Children to identify measures to fund pay back of 2013/14 one-off funding (£13.7 million).	

## Annex 11 EARMARKED RESERVES - GENERAL FUND £000's

	Balance 1 April 13	Movement	Balance 30 April 13
	£000	£000	£000
School Balances	11,937	-	11,937
Housing Benefit	10,155	-	10,155
Insurance Fund	7,820	-	7,820
Redundancy Fund	5,500	-	5,500
IT/Intranet	3,161	-	3,161
Local Pay Review	2,296	-	2,296
Community Fund Community Asset			
Transfer	2,146	-	2,146
Efficiency Investment Rolling Fund	2,000	-	2,000
One Stop Shop / Libraries IT Network	1,878	-	1,878
Worklessness Programme	1,084	-	1,084
Supporting People Programme	996	-	996
Stay, Work, Learn Wise	908	-	908
Intensive Family Intervention Project	871	-	871
Working Neighbourhoods Fund	761	-	761
Schools Harmonisation	668	-	668
Children's Workforce Development Council	559	-	559
Apprentice Programme Phases 2&3	546	-	546
Home Adaptations	518	-	518
Planned Preventative Maintenance	463	-	463
ERDF Match Funding	444	-	444
Schools Automatic Meter Readers	415	-	415
Schools Contingency	370	-	370
Child Poverty	350	-	350
Business Improvement Grant	342	-	342
Local Area Agreement Reward	322	-	322
Group Repair	307	-	307
Schools Service IT	294	-	294
Homeless Prevention	271	-	271
New Homes Bonus	260	-	260
Strategic Asset Review	251	-	251
Other Reserves	<u>7,033</u>	-	<u>7,033</u>
<b>Total Reserves</b>	<b>64,926</b>	<b>-</b>	<b>64,926</b>

Note: these figures are subject to change as the 2012/13 accounts are currently being finalised



## Annex 12 BUDGETARY ISSUES

	Service area	Issue	2013-14	2014-15	2015-16	2016-17	Resolution
<b>People</b>							
	Adults overstated income	Income was included at 100% of billed, rather than at the (lower) level of collection. Improved collection would reduce the loss but this should be evidence led.	2,000	2,000	2,000	2,000	Entered into M1 Monitor
	Legal Fees ex CYP	Foster Care placements - with improved work routines, amenable to reduction.	100	50	0		Funding to be identified by Strategic Director
<b>Places</b>							
	RHP	Homeless Grant rolled into Formula Grant, but not taken out of budget. No solution.	221	221	221	221	Funding to be identified by Strategic Director
	Willowtree	Shortfall in accommodation budget; resolution depends on service and asset disposal	33	33	33	33	Agreed can be met from permanent budget reduction
<b>Transformation</b>							
	Market Supplements	Single Status is unimplemented. Until then, grade mismatches can only be 'fixed' by market factors. A known problem of £450k, with the remainder as cover. Short-term Option to remove cover; long-term option to resolve SS.	1,000	450	450	0	Entered into M1 Monitor
	2012-13 T&C's	Non-achievement; count as part of 2014-15 target	300	0	0	0	Funding to be identified by Strategic Director
	2012-13 Trans Bus S	Non-achievement; count as part of 2014-15 target	300	150	0	0	Funding to be identified by Strategic Director
	2013-14 T&Cs	Shortfall in achievement; count as part of 2014-15 target	90	0	0	0	Funding to be identified by Strategic Director
	Facilities Management	Shortfall in achievement on closure of buildings; count as part of 2014-15 target	250	0	0	0	Agreed can be met from permanent budget reduction
<b>Totals</b>			<b>4,294</b>	<b>2,904</b>	<b>2,704</b>	<b>2,254</b>	
<b>Solutions</b>			<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	
	Agreed redns	Willowtree Facilities Management	-33 -250	-33	-33	-33	Agreed can be met from permanent budget reduction
	In M1 monitor	Adults income – in 2013-14 funded from unbudgeted income budgeted for in later years	-2,000				
<b>Current additional resource required from savings</b>			<b>2,011</b>	<b>2,871</b>	<b>2,672</b>	<b>2,335</b>	

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CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>CAPITAL MONITORING 2013-14 MONTH 1 (APRIL 2013)</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. EXECUTIVE SUMMARY**

This report sets out the capital position for 2013-14 at Period 1 (April 2013) and actions to minimise risk.

**2. RECOMMENDATIONS**

2.1 That Cabinet is asked to note:

a) the spend to date at Month 1 of £1.140m, with 8.3% of the financial year having elapsed.

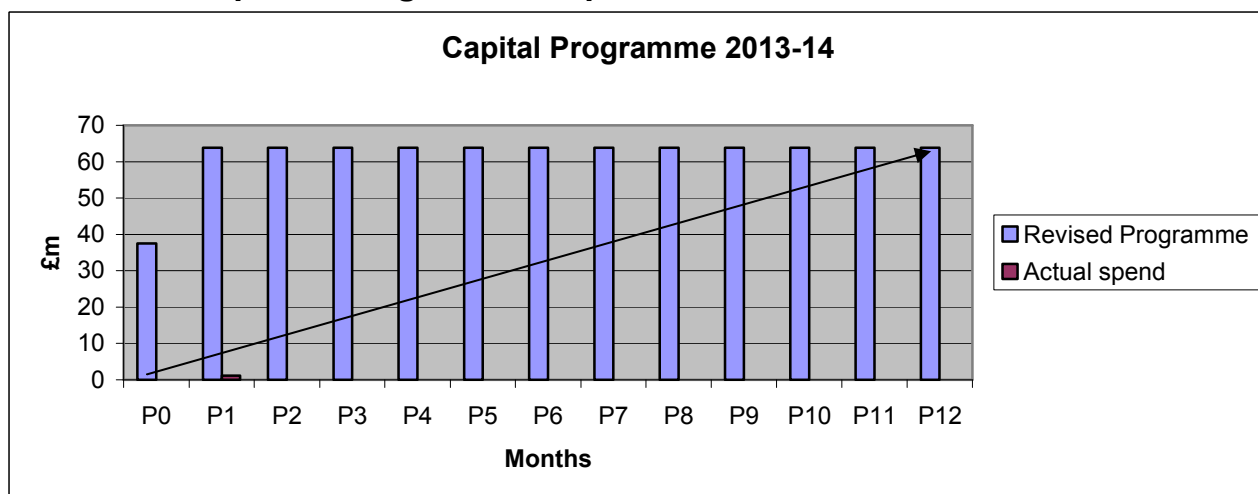
2.2 The Cabinet is asked to agree:

b) the revised Capital Programme of £63.861m (Table 1 at 4.1).

**3 OVERALL POSITION AT PERIOD 1 (April 2013)**

3.1 The projected capital forecast for the year, at Month 1 shows a potential outturn of no overspend, underspend, or slippage.

**Chart 1: Capital Programme spend below line of best fit**



3.2 It is planned to introduce new sections to improve control, and concentrate attention on areas of risk that are a feature of this year's budget. The new sections are:

1. **Section 5** Phasing of the plan – the use of Gates. Splitting a scheme up into various phases, with formal agreement before a scheme can through the 'gate' to the next phase.
2. **Section 7** Schemes that are not keeping to plan. The problem, what can be done about it and lessons for the future.

#### 4 ORIGINAL AND PROPOSED CAPITAL PROGRAMME FOR 2013-14

4.1 The capital budget for 2013-14 is subject to change. The Period 1 monitor shows the programme agreed at the March 5 Council amended to reflect slippage (£10.835m) that has been approved by this Committee since Capital Strategy. Further approval is requested for additional slippage (£5.273m) and policy changes (£10.289m). Further changes to the programme will occur in P2/3, with the closure of the 2012-13 accounts, and the confirmation of slippage from 2012-13 into 2013-14.

**Table 1: Capital Programme 2013-14 at Period 1 (April) £000's**

	Capital Strategy	Changes approved by Cabinet	Slippage to be approved by Cabinet	Other changes to be approved	Revised Capital Programme
Invest to save	1,400	0	0		1,400
Bids to release assets	1,053	457	0	2,000	3,510
People - Adults	11,025	625	0	0	11,650
People - CYP	10,286	3,507	1,496	4,922	20,211
Places - Regeneration	5,979	4,733	600	1,075	12,387
Places - Environment	7,196	1,388	2,092	2,292	12,968
Trans & Res -Finance	210	0	0	0	210
Trans & Res - Asst Mgt	315	125	1,085	0	1,525
<b>Total Expenditure</b>	<b>37,464</b>	<b>10,835</b>	<b>5,273</b>	<b>10,289</b>	<b>63,861</b>

4.2 An overall analysis of the changes since Capital Strategy is set out in Annex 3 with a summary of the new schemes (as opposed to additional slippage) to be approved by Cabinet for Period 1 set out below. The overall programme is included as annex 2.

**Table 2: Requests to increase the 2013-14 programme £000's**

	Changes to be approved by Cabinet	Explanation A) Policy B) Items previously deferred C) Additional funding
Bids to release assets	2,000	A fund to assist land assembly and re-sale (A)
Places - Environment	1,600	Wheelie Bin lease buy out (to be funded from Waste budget) (A)
	522	Additional highway maintenance as a result of an increase in the LTP funding allocation (C)

	90	Birkenhead Tennis Courts – Essential refurbishment. Will reduce the risk of not receiving potential future match funding e.g. from LTA. <b>(B)</b>
	80	Essential cemetery improvements to comply with statutory requirements <b>(B)</b>
People - Children's & Young People	3,922	DfE capital maintenance allocation. Grant funding has been announced <b>(C)</b>
	1,000	Increase in the Wirral Youth Zone funding to attract £3m private investment and enable the scheme <b>(A)</b>
Places - Regeneration	1,075	Match Funding - £0.95m Improvements to Stock; £125k Empty Properties <b>(B)</b>
<b>Total Expenditure</b>	<b>10,289</b>	

- 4.3 The Council is awaiting the announcement of a Government scheme to 'capitalise' statutory redundancy costs. As there was no scheme in 2012-13, the amount held by the DCLG will be over-subscribed. There is no certainty that the Council will succeed in its bid. If the bid was successful it would add to the programmed spend, which would be funded from Capital Receipts.
- 4.4 DfE allocations for 2013/14 were announced on 1 March 2013. Details of the proposed CYPD Capital programme for 2013/14 are attached as Annex 4. The programme includes a wide range of projects and these will promote the Council's corporate priorities. In drawing up the Capital Programme for 2013/14, the department has continued to follow similar strategies in previous years for enhancing premises, dealing with condition related works, improving student learning environments, community accessibility, safety and security compliance. Whilst Capital allocations have not been ring-fenced to particular areas of need by the DfE, the principles followed are:
- (i) to undertake projects identified in the Asset Management Plan to enhance the Suitability and Condition of schools and enable a full range of curriculum activities.
  - (ii) to undertake projects supporting the changing Primary and Secondary school pupil rolls across the Borough.
  - (iii) to work with other Council departments to deliver the Strategic Asset Review, particularly in the co-location of services, early years childcare and forward planning for other regeneration projects.
  - (iv) to enable inclusion within mainstream schools for pupils with physical and mental disabilities and to ensure that Special Schools are able to provide the care required for a range of disabilities.

- (v) to identify those schools for which Basic Need should be considered for the sufficiency of places; these are included within both the feasibility/design development section and the main schemes.

## 5 PHASING OF THE PLAN – THE USE OF GATES

- 5.1 Since February, officers have embarked on implementing a system – Concerto - that will tell them how all the schemes in the capital programme are progressing. Instead of only having two scheme measures, being ‘start’ and ‘completed’, we will be able to look ‘inside the box’ and see the progress of a scheme. The aim is to have it working by end-July. Table 3 examples the Gates for the Capital Receipts programme.

**Table 3: example of five Gates for Capital Receipts**

Gate	Activity by Quarters
Conceptual Stage	Identification of potential disposal
Approval Stage	Agreement in principal by Asset Review Board
Delivery Stage	Approval to disposal and method of disposal
Finished Stage	Agreement to final terms
Closure Stage	Legal completion and receipt of monies

- 5.2 The benefit of the system is that each scheme will be planned across the year(s), initially in Quarters, and progress can be tracked. Further, all the schemes can be ‘added up’, so we will have a predicted phasing for the whole capital programme, over three years.
- 5.3 Having this information will enable us to intervene where schemes are slipping, navigate around ‘choke points’ where everything is happening at once, and plan the funding of the programme, so we can manage to finer tolerances. For example, historically, the Council has always carried a high level of capital receipts, to cover risk, rather than using them.

## 6 ACTUAL SPEND TO DATE – IS THE PROGRAMME ‘ON PLAN’?

- 6.1 Until the Concerto system is in place, we will continue to use the general measure of progress introduced last year. The actual capital expenditure at Period 1 is £1.140m with 8.3% of the financial year having elapsed. .

**Table 4: Spend to date April (1/12 = 8.3%)**

	Spend to date		Comments on variation RAG
	£000's	%	
Invest to save	0	0	Green -Acceptable
Bids to release assets	17	0.5	Green -Acceptable
People - Adults	0	0	Green -Acceptable
People - Children's & Young People	543	2.7	Green -Acceptable
Places - Regeneration	257	2.1	Green -Acceptable
Places - Environment	70	0.5	Green -Acceptable
Trans & Res -Finance	99	47.1	Green -Acceptable
Trans & Res - Asst Mgt	154	10.1	Green -Acceptable
<b>Total Expenditure</b>	<b>1,140</b>	<b>1.8</b>	

- 6.2 The table below will be updated with more detailed forecasts in subsequent reports.

**Table 5: Projected Outturn compared to Revised Budget £000's**

	Revised	Projected	Variation
	Budget	Outturn	
Invest to save	1,400	1,400	0
Bids to release assets	3,510	3,510	0
People - Adults	11,650	11,650	0
People - Children's & Young People	20,211	20,211	0
Places - Regeneration	12,387	12,387	0
Places - Environment	12,968	12,968	0
Trans & Res -Finance	210	210	0
Trans & Res - Asst Mgt	1,525	1,525	0
<b>Total Expenditure</b>	<b>63,861</b>	<b>63,861</b>	<b>0</b>

## 7 SCHEMES THAT ARE NOT KEEPING TO PLAN.

- 7.1 The purpose of this section is to highlight schemes that are not keeping to plan and the range of responses that are needed. At this point in the cycle there are no such schemes.

## 8 FINANCING OF THE CAPITAL PROGRAMME

- 8.1 Table 6 summarises the financing sources and changes made to Period 1. The major changes proposed, since the capital programme was approved in March 2013 are:

the use of unsupported borrowing to finance slippage and new schemes;  
the use of grant funding not required in 2012-13 which will fund the associated slippage in expenditure; and  
to deploy spare capital receipts.

**Table 6: Revised Capital Programme Financing 2013-14 £000's**

Capital Programme Financing	Capital Strategy	Changes approved by Cabinet	Budget changes to be approved by Cabinet	Revised 2013-14 Programme
Unsupported Borrowing	7,920	5,458	5,306	18,684
Capital Receipts	3,121	0	4,075	7,196
Reserve Reserves	888	950	208	2,046
Grant – Education	8,786	3,043	4,788	16,617
Grant – Integrated Transport	1,155	0	0	1,155
Grant – Local Sustainable Transport	676	0	295	971
Grant – Local Transport Plan	2,864	0	522	3,386
Grants – Other	12,054	1,384	368	13,806
<b>Total Financing</b>	<b>37,464</b>	<b>10,835</b>	<b>15,562</b>	<b>63,861</b>

9 **PROJECTED LONGER TERM CAPITAL PROGRAMME**

9.1 Funding for the forecast 2013-14 to 2015-16 capital programme is shown in Table 7.

**Table 7: Capital Programme Financing 2013-14 to 2015-16 £000's**

Capital Programme Financing	2013-14 Revised Estimate	2014-15 Original Estimate	2015-16 Original Estimate	Total Programme
Unsupported Borrowing	18,684	2,727	1,300	22,711
Capital Receipts	7,196	2,838	1,000	11,034
Reserve Reserves	2,046	0	0	2,046
Grant – Education	16,617	1,607	357	18,581
Grant – Integrated Transport	1,155	1,155	0	2,310
Grant – Local Sustainable Transport	971	676	0	1,647
Grant – Local Transport Plan	3,386	2,699	0	6,085
Grants – Other	13,806	700	0	14,506
<b>Total Financing</b>	<b>63,861</b>	<b>12,402</b>	<b>2,657</b>	<b>78,920</b>

10 **SUPPORTED AND UNSUPPORTED BORROWING AND THE REVENUE CONSEQUENCES OF UNSUPPORTED BORROWING**

10.1 The cost of £1 million of Prudential Borrowing would result in additional revenue financing costs of £100,000 per annum in the following year. As part of the Capital Strategy 2013-14 to 2015-16 the Council has included an element of prudential borrowing. At Period 1 there is a sum of £22.7m of new unsupported borrowing included over the next three years, which will result in approximately £2.7m of additional revenue costs detailed at Table 8, if there is no change in strategy.

**Table 8: Unsupported Borrowing Forecasts & Revenue costs £000's**

	2013/14	2014/15	2015-16	2016-17	Total
New Unsupported borrowing	18,684	2,727	1,300	-	22,711
Cumulative		21,411	22,711		
Cumulative Annual Revenue repayment costs		1,868	2,141	2,271	

10.2 However, the Unsupported Borrowing has to be divided into that for which there is planned support – a spend to save scheme – and the truly unsupported schemes.

**Table 9: Analysis of Unsupported Borrowing**

	2013/14	2014/15	2015-16	Total
Spend to save	6,510	420	300	7,230
Other borrowing	12,174	2,307	1,000	15,481



## 11 CAPITAL RECEIPTS POSITION

- 11.1 The Council has worked with the LGA to review the Assets – a report was presented to Chief Officers on May 7. A stand out comment was that the Council could realise £20m from asset disposals by 2015, some of which has already been counted into Table 10 below. Work is being undertaken to identify which of the receipts in the table below are included in this assessment.
- 11.2 The capital programme is reliant on the Council generating capital receipts to finance the future capital programme schemes. The Capital Receipts Reserve at 1 April 2013 contained £8.1m of receipts. The table assumes the proposed spend, set out at 4.1 is agreed.

**Table 10: Projected capital receipts position – funding requirement £000's**

	2013/14	2014/15	2015-16
Capital Receipts Reserve	8,100	2,404	7,016
In - Receipts Assumption	1,500	7,450	n/a
Out - Funding assumption	-7,196	-2,838	-1,000
Closing Balance	2,404	7,016	6,016

- 11.3 Details of the schemes to be funded by capital receipts in 2013-14 can be found in Annex2.
- 11.4 Para 4.3 noted the possibility of more spend - Redundancy costs – which would be funded from capital receipts.

## 12 RELEVANT RISKS

- 12.1 The possible failure to deliver the Capital Programme will be mitigated by the fortnightly review by a senior group of officers, charged with improving performance.
- 12.2 The generation of capital receipts could well be influenced by factors outside the authority's control e.g. ecological issues.
- 12.3 Capacity shortfalls are being addressed though the development of closer working with the LGA and Local Partnerships.

## 13 OTHER OPTIONS CONSIDERED

- 13.1 None.

## 14 CONSULTATION

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

## 15 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

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

## 16 RESOURCE IMPLICATIONS

- 16.1 The whole report is about significant resource implications.

**17 LEGAL IMPLICATIONS**

17.1 There are no legal implications.

**18 EQUALITIES IMPLICATIONS**

18.1 An Equality impact assessment is not attached as there are none.

**19 CARBON REDUCTION IMPLICATIONS**

19.1 None.

**20 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

20.1 None.

**21 REASONS FOR RECOMMENDATIONS**

21.1 Regular monitoring and reporting of the capital programme will enable decisions to be taken faster which may produce revenue benefits and will improve financial control of the programme.

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**SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Capital monitoring reports, from September 2012, are being submitted monthly.	
Capital programme submitted to Council	5 <sup>th</sup> March 2013

**Annexes:**

- Annex 1 Capital monitoring and reporting timetable 2013/14**
- Annex 2 Proposed Capital programme and funding source**
- Annex 3 Variation from original programme**
- Annex 4 DfE capital maintenance allocation**
- Annex 5 Deferred unsupported capital schemes**

## CAPITAL MONITORING AND REPORTING TIMETABLE 2013/14

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Reports Available For The Executive Strategy Group	Reports Available For Cabinet	Reports Available For Council Excellence Overview & Scrutiny Committee
			Monthly	Monthly	Quarterly
1	April	May 8	May 28	June 13	-
2	May	Jun 7	June 25	July 11	-
3	June	Jul 5	Aug 20	Sept 5	01-Oct
4	July	Aug 7	Sept 24	Oct 10	-
5	August	Sept 6	Sept 24	Oct 10	-
6	September	Oct 7	Oct 22	Nov 7	27-Nov
7	October	Nov 7	Dec 2	Dec 18	-
8	November	Dec 6	Jan 19	Feb 4	-
9	December	Jan 8	Feb 1	Feb 17	26-Mar
10	January	Feb 7	Feb 25	Mar 13	TBC
11	February	Mar 7	TBC	TBC	TBC
12	Outturn (Provisional)	TBC	TBC	TBC	TBC

**ANNEX 2 PROPOSED CAPITAL PROGRAMME AND FUNDING**

Department	Capital Strategy	Additional Slippage 2012-13	Changes to be approved	Total Programme	Borrowing	Receipts	Revenue / Reserves	Education Grants	Integrated Transport	Local Sustainable Transport	Local Transport	Other Grants	Total Funding
<b>Invest to save or core efficiency</b>													
Replace Integrated Childrens System	1,000			1,000	1,000								1,000
Energy schemes	400			400	400								400
<b>Invest to save or core efficiency Total</b>	<b>1,400</b>	-	-	<b>1,400</b>	<b>1,400</b>	-	-	-	-	-	-	-	<b>1,400</b>
<b>Bids that release redundant council assets</b>													
Demolish Stanley Special	275			275	275								275
Demolish Bebington Town Hall and Liscard Municipal	378			378	378								378
Demolish former Rock Ferry High	400			400	400								400
Demolish Foxfield				-	-								-
Strategic Asset Review		457		457	457								457
Fund to assist land assembly and re-sale			2,000	2,000		2,000							2,000
<b>Bids that release redundant council assets Total</b>	<b>1,053</b>	<b>457</b>	<b>2,000</b>	<b>3,510</b>	<b>1,510</b>	<b>2,000</b>	-	-	-	-	-	-	<b>3,510</b>
<b>Transformation &amp; Resources Finance</b>													
West Kirby and Conway Centre OSSs	210			210			210						210
<b>Transformation &amp; Resources Finance Total</b>	<b>210</b>	-	-	<b>210</b>	-		<b>210</b>	-	-	-	-	-	<b>210</b>
<b>Transformation &amp; Resources Asset Management</b>													
The Priory		25		25	25								25
Rock Ferry Centre	315	141		456			456						456
Cultural Services Assets		220		220	220								220
Wallasey Town Hall		810		810	810								810
Liscard Hall		14		14			14						14
<b>Transformation &amp; Resources Asset Management Total</b>	<b>315</b>	<b>1,210</b>	-	<b>1,525</b>	<b>1,055</b>	-	<b>470</b>	-	-	-	-	-	<b>1,525</b>
<b>People - Children &amp; Young People</b>													
Children's centres		231		231				231					231
Aiming Higher for Disabled Children	240	267		507				507					507
Condition/Modernisation	4,500	1,428	3,922	9,850	407		21	9,422					9,850
Family Support Scheme		115		115	115								115
Formula Capital Grant	2,000	535		2,535			42	2,493					2,535
Schools- Access Initiative		66		66				66					66
Woodchurch One School Pathfinder		132		132	21		8	103					132
Birkenhead High Girls Academy		229		229			69	160					229
Private Finance Initiative		205		205			150	55					205
Primary Reorganisation Surplus		-		-	-								-
Pensby Primary School	1,510	267		1,777				1,777					1,777
School Meals Uptake		120		120				120					120
Co-Location Fund		89		89				89					89
SEN and Disabilities		738		738				738					738
Vehicle Procurement		158		158			158						158
Foxfield contribution to priority school				-									-
Park Primary	-	180		180				180					180
Rosclare Childrens Hotel		5		5			5						5
Early years access		78		78				78					78
Youth Capital		160		160	98			62					160
School remodelling and additional classrooms	586			586	300			286					586
Somerville primary school mobile replacement	450			450	200			250					450
Wirral Youth Zone	1,000		1,000	2,000	567	1,433							2,000
<b>People - Children &amp; Young People Total</b>	<b>10,286</b>	<b>5,003</b>	<b>4,922</b>	<b>20,211</b>	<b>1,708</b>	<b>1,433</b>	<b>453</b>	<b>16,617</b>	-	-	-	-	<b>20,211</b>

<b>People - Adults</b>													
Transformation of Day Service	625	625		1,250							1,250	1,250	
Integrated IT	1,400			1,400							1,400	1,400	
LD extra care housing	9,000			9,000	3,000						6,000	9,000	
<b>People - Adults Total</b>	<b>11,025</b>	<b>625</b>	-	<b>11,650</b>	<b>3,000</b>	-	-	-	-	-	<b>8,650</b>	<b>11,650</b>	
<b>Places - Environment</b>													
Congestion	-	5		5	5							5	
Road Safety	1,155	103		1,258	83			1,155	20			1,258	
Air Quality	-	245		245	245							245	
Accessibility	676	275		951					951			951	
Transportation	-	34		34	34							34	
Street Lighting	-	229		229	229							229	
Bridges	-	811		811	811							811	
Highways Maintenance	2,864	992		3,856	992					2,864		3,856	
Additional Highways Maintenance Funding	-		522	522						522		522	
Asset Management	-	84		84							84	84	
Coast Protection	-	186		186	186							186	
Wheelie Bin Buyout	-		1,600	1,600	1,600							1,600	
Parks Plant and Equipment	1,498			1,498		1,498						1,498	
Parks vehicles replacement	440			440		440						440	
Park depot rationalisation	500			500		500						500	
Landican Cemetery	-	82		82	82							82	
Birkenhead Park Restoration Fees	-	97		97	97							97	
Hoylake Golf Course	-	30		30	30							30	
Park Outdoor Gyms	-	167		167							167	167	
Reeds Lane Play Area	-	61		61							61	61	
Eastham Country Park	-	36		36							36	36	
Royden Park	-	20		20							20	20	
Floral Pavilion Stage & Orchestra Pit	-	37		37	37							37	
Cemetery Improvements			80	80	80							80	
Birkenhead Tennis Courts			90	90	90							90	
Leisure Equipment	63	14		49			49					49	
<b>Places - Environment Total</b>	<b>7,196</b>	<b>3,480</b>	<b>2,292</b>	<b>12,968</b>	<b>4,601</b>	<b>2,438</b>	<b>49</b>	-	<b>1,155</b>	<b>971</b>	<b>3,386</b>	<b>368</b>	<b>12,968</b>
<b>Places - Regeneration</b>													
Think Big Investment Fund		434		434	434							434	
Clearance approved Cabinet		1,550	950	2,500	574	950	217				759	2,500	
Home improvement approved Cabinet		667		667	580		87					667	
Disabled Facilities – Adaptations	2,929			2,929	1,000		300				1,629	2,929	
D.F. – Adaptations approved		939		939	939							939	
New Homes Bonus		200		200			200					200	
Wirral Healthy Homes		107		107	107							107	
Cosy Homes Heating	250			250		250						250	
Cosy Homes Heating		149		149	149							149	
Empty Property Interventions		172	125	297	112	125	60					297	
New Brighton		1,115		1,115	1,115							1,115	
Maritime Business Park	2,800			2,800	400						2,400	2,800	
<b>Places - Regeneration Total</b>	<b>5,979</b>	<b>5,333</b>	<b>1,075</b>	<b>12,387</b>	<b>5,410</b>	<b>1,325</b>	<b>864</b>	-	-	-	-	<b>4,788</b>	<b>12,387</b>
<b>Grand Total</b>	<b>37,464</b>	<b>16,108</b>	<b>10,289</b>	<b>63,861</b>	<b>18,684</b>	<b>7,196</b>	<b>2,046</b>	<b>16,617</b>	<b>1,155</b>	<b>971</b>	<b>3,386</b>	<b>13,806</b>	<b>63,861</b>

## ANNEX 3 ANALYSIS OF CHANGES SINCE CAPITAL STRATEGY

### 1.SLIPPAGE

	Previously Approved	Additional	Total
<b>Bids that release redundant council assets</b>			
Strategic Asset Review	457		457
<b>Transformation &amp; Resources Asset Management</b>			
The Priory	25		25
Rock Ferry Centre	100	41	141
Cultural Services Assets		220	220
Wallasey Town Hall		810	810
Liscard Hall		14	14
<b>People - Children &amp; Young People</b>			
Children's centres	231		231
Aiming Higher for Disabled Children		267	267
Condition/Modernisation slippage	1,000	428	1,428
Formula capital		535	535
Family Support Scheme	115		115
Schools- Access Initiative	80	-14	66
Woodchurch One School Pathfinder agreed	50	82	132
Birkenhead High Girls Academy agreed	274	-45	229
Private Finance Initiative agreed	78	127	205
Primary Reorganisation Surplus agreed	63	-63	0
Pensby Primary School slippage agreed	997	-730	267
School Meals Uptake agreed	125	-5	120
Co-Location Fund agreed	59	30	89
SEN and Disabilities agreed	277	461	738
Park Primary		180	180
Rosclare Childrens Hotel		5	5
Early years		78	78
Youth Capital		160	160
Vehicle Procurement agreed	158		158
<b>People - Adults</b>			
Transformation of Day Service	625		625
<b>Places - Environment</b>			
Bridges	811		811
Capitalised Maintenance	391	601	992
Coast Protection	186		186
Congestion		5	5
Road Safety		103	103
Air Quality		245	245
Accessibility		275	275
Transportation		34	34
Street Lighting		229	229
Asset Management		84	84
Landican Cemetery		82	82

Birkenhead Park Restoration Fees		97	97
Hoylake Golf Course		30	30
Park Outdoor Gyms		167	167
Reeds Lane Play Area		61	61
Eastham Country Park		36	36
Royden Park		20	20
Floral Pavilion Stage & Orchestra Pit		37	37
Leisure Equipment		-14	-14
<b>Places - Regeneration</b>			
Think Big Investment Fund approved	434		434
Clearance	1,550		1,550
Home improvement	667		667
D.F. – Adaptations	939		939
New Homes Bonus	200		200
Wirral Healthy Homes	107		107
Cosy Homes Heating	149		149
Empty Property Interventions	172		172
New Brighton	515	600	1,115
<b>Total slippage</b>	<b>10,835</b>	<b>5,273</b>	<b>16,108</b>
<b>2. NEW FUNDING</b>			
Additional Highways Maintenance Funding (LTP grant)		<b>522</b>	<b>522</b>
<b>3. NEW SCHEMES</b>			
<b>Bids that release redundant council assets</b>			
Fund to assist land assembly and re-sale		2,000	2,000
<b>People - Children &amp; Young People</b>			
Wirral Youth Zone		1,000	1,000
Condition/Modernisation		3,922	3,922
<b>Places - Environment</b>			
Wheellie Bin Buyout (borrowing funded by Waste budget)		1,600	1,600
Cemetery Improvements		80	80
Birkenhead Tennis Courts		90	90
<b>Places - Regeneration</b>			
Clearance		950	950
Empty Property Interventions		125	125
<b>New Schemes</b>		<b>9,767</b>	<b>9,767</b>
<b>Overall change from Capital Strategy</b>	<b>10,835</b>	<b>15,562</b>	<b>26,397</b>

## CAPITAL PROGRAMME 2013/14: FUNDING AND PROPOSED NEW STARTS

### A. DfE CAPITAL MAINTENANCE & BASIC NEED ALLOCATION

**£3,922,398**

**OTHER DfE  
CAPITAL**

**COUNCIL CAPITAL 13/14  
(as per Cabinet Report 18  
February 2013)**

NON SPECIFIC SCHOOL LOCATIONS			
School Access/DDA	250,000	Mendell Primary – Main entrance remodel/security	25,000
Boiler Renewal Programme	250,000	Mosslands – Groundwork following mobile removal	30,000
Kitchen Ventilation Programme	250,000	Mount Primary – Fencing, access	40,000
<b>Sub-Total</b>	<b>£750,000</b>	New Brighton Primary – kitchen/staff room scheme additional works	60,000
		Orrets Meadow – Specialist bases	35,000
<b>FEASIBILITY &amp; DESIGN DEVELOPMENT</b>		Pensby High Federation – Window installation phase 2	100,000
		Portland Primary – Window installation	50,000
Elleray Park Special – Suitability	10,000	Prenton Primary – Window installation	30,000
Fender Primary – Capacity	10,000	Riverside Primary – Internal refurbishment	50,000
Greenleas Primary – Capacity	10,000	Sandbrook Primary – External doors and adjoining windows.& Toilet Refurbishment	45,000
Mosslands – Structural	10,000	Stanton Road – toilets, roof	50,000
Pensby High – Accommodation Review	10,000	St George's Primary – Fire Alarm system	50,000
Well Lane Primary – Suitability	10,000	St George's Primary – Sports facility	130,000
		Thingwall Primary – Mobile replacement – internal reconfiguration	300,000
<b>Sub-Total</b>	<b>£60,000</b>	Town Lane – Reception/Offices/Staff Room	250,000
		WASP – Various modifications	150,000
		Wirral Hospital School – Service kitchen installation	30,000
<b>SCHEMES</b>		Woodchurch Road Primary – Remodeling F2 & class bases	550,000
Christchurch CE (B'head) – Mobile Demolition	20,000	Woodslee Primary – Foundation replacement.	550,000
Church Drive Primary - Main entrance/security/ICT	150,000		
Egremont Primary – Kitchen remodelling	60,000	Priority School Building Programme commitment	500,000
Ganneys Meadow – Access Car Park	20,000		
Hillside Primary – Roof and suitability	30,000	<b>Sub-Total</b>	<b>3,690,000</b>
Gayton Primary – Suitability and toilets	200,000		
Kilgarth Special – External Play area	60,000	<b>ALL TOTALS</b>	<b>4,500,000</b>
Leasowe Early Years – Access road	20,000	Carry forward 2012/13	750,000
Liscard Primary – Window installation	30,000	Remaining sum to be allocated to Priority Projects	172,389
Meadowside Special – Swimming Pool changing area phase 1	75,000		



## Annex 5

## Deferred Unsupported

Summary	2013-14 £000	2014-15 £000	2015-16 £000	Totals £000
Invest to save or core efficiency	0	0	0	0
Bids that release redundant council assets	0	0	0	0
DASS	0	0	0	0
Finance	0	0	0	0
CYP	680	700	0	1,380
Law, HR & Asset Management	1,025	1,500	1,500	4,025
Regeneration	2,080	1,250	300	3,630
Technical Services	2,405	2,119	397	4,921
<b>Total</b>	<b>6,190</b>	<b>5,569</b>	<b>2,197</b>	<b>13,956</b>
<b>Detail</b>				
<b>Invest to save or core efficiency</b>	0	0	0	0
<b>Bids that release redundant council assets</b>	0	0	0	0
<b>DASS</b>	0	0	0	0
<b>Finance</b>	0	0	0	0
<b>CYP</b>				
<b>Schools Development Programme</b>				
Woodchurch Rd primary Foundn 2 classrooms	80	700	0	780
Woodslee Primary school	600	0	0	600
	680	700	0	1,380
<b>Law, HR &amp; Asset Management</b>				
Cultural Services Assets	1,000	1,500	1500	4,000
The Priory	25	0	0	25
	1,025	1,500	1500	4,025
<b>Regeneration</b>				
Think Big Investment Fund	300	300	0	600
Improvements to Stock ***	950	950	0	1,900
Wirral Healthy Homes	105	0	0	105
Empty Property Interventions ***	125	0	0	125
Hoylake	600	0	0	600
	2,080	1,250	300	3,630
<b>Technical Services</b>				
Street Lighting	200	0	0	200
Bridges	250	0	0	250
Capitalised Highways Maintenance	1,000	1,000	0	2,000
Coast Protection	47	55	0	102
<b>Parks, Cultural Services and Roads</b>				
Arrowe Park changing facilities	500	800	0	1,300
Birkenhead tennis court ***	90	7	0	97
Cemetery infrastructure and landscaping ***	50	50	0	100
Birkenhead Park drainage	238	57	0	295
Frankby cemetery extension ***	30	150	0	180
	2,405	2,119	397	4,921
<b>Less schemes now approved</b>	(1,245)	(207)		(1,452)
<b>Funding type:</b>				
Unsupported Borrowing	4,945	5,362	2,197	12,504

\*\*\* Represents schemes now included in the Capital Programme.

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## WIRRAL COUNCIL

### AUDIT AND RISK MANAGEMENT COMMITTEE

19 MARCH 2013

<b>SUBJECT:</b>	<b>ANNUAL REPORT ARMC</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>
<b>KEY DECISION ?</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 To comply with best professional practice the Audit and Risk Management Committee is required to complete an annual report to Cabinet on the work undertaken by the Audit and Risk Management Committee.
- 1.2 Attached at Appendix A is the Annual Report prepared by the Chair in consultation with Internal Audit.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Department for Communities and Local Government (DCLG) issued amended regulations in 2006, to the 2003 Accounts and Audit Regulations – ‘The Accounts and Audit (Amendment) (England) Regulations 2006.
- 2.2 One of the amended regulations impacts on the process for preparing the Statement of Internal Control (SIC) which is subsumed within the Annual Governance Statement (AGS) and relates specifically to the the systems of internal audit in operation. This is:-
- Regulation 6 requires bodies to regularly review their system of internal audit, and for the findings to be considered by a committee of the body, or by the body as a whole.
- 2.3 Advice from CIPFA includes the assertion that the “systems of internal audit” can be considered to include the role and effectiveness of the Audit Committee which therefore should be assessed and evaluated.
- 2.4 To assist Councils in this evaluation exercise CIPFA has provided a self assessment checklist and recommended that this be completed annually by the Committee.
- 2.5 An annual report for 2012/13 has been prepared by the Chair in consultation with Internal Audit and is attached at Appendix A for consideration and approval by the Members.

#### 3.0 RELEVANT RISKS

- 3.1 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

#### 4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options considered.

## **5.0 CONSULTATION**

5.1 Members of this Committee have been consulted throughout the process regarding the content of the annual report and their views are reflected in the final document attached.

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

6.1 There are none arising from this report.

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

7.1 There are none arising from this report.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are none arising from this report.

## **9.0 EQUALITIES IMPLICATIONS**

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

(b) No because there is no relevance to equality.

## **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 draft Annual Report be approved and submitted to Cabinet.

## **13.0 REASON FOR RECOMMENDATION**

13.1 To comply with best practice identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

**REPORT AUTHOR:** Mark P Niblock  
Acting Chief Internal Auditor  
telephone: 0151 666 3432  
email: markniblock@wirral.gov.uk

## **APPENDICES**

Audit and Risk Management Committee Annual Report 2012/13

## **REFERENCE MATERIAL**

CIPFA Publication 'A Toolkit for Local Authority Audit Committees'

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

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	ARMC March 2012

**DRAFT  
AUDIT AND RISK MANAGEMENT  
COMMITTEE**

**ANNUAL REPORT 2012/13**

**Councillor J Crabtree, Chair  
Councillor D Dodd, Vice-Chair**

**AUDIT AND RISK MANAGEMENT COMMITTEE:  
ANNUAL REPORT 2012/13**

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## 1. INTRODUCTION

This Annual Report produced by Wirral Council's Audit and Risk Management Committee has been prepared in accordance with the CIPFA best practice publication 'A Toolkit for Local Authority Audit Committees'. The report demonstrates how the Audit and Risk Management Committee has fulfilled its terms of reference during a very difficult year and how it is fully committed to helping to improve the Council's governance and control environments during what should prove to be a very challenging year ahead, following the recent publication of external reports highly critical of the Council's governance arrangements.

## 2. SOME KEY INFORMATION

### 2.1. Audit and Risk Management Committee Membership

The Audit and Risk Management Committee has 9 Members:

Councillor Jim Crabtree - Chair  
Councillor Darren Dodd - Vice-Chair  
Councillor Alan Brighthouse  
Councillor Paul Hayes  
Councillor Ron Abbey  
Councillor Jeff Green  
Councillor Joe Walsh  
Councillor Steve Foulkes  
Councillor Tony Cox

There is strong officer support to the Audit and Risk Management Committee, through the regular attendance of the Director of Finance, Director of Law, HR and Asset Management and the Chief Internal Auditor. During 2012/13 this also included individuals acting in these capacities due to changes in personnel. Other officers attend as and when appropriate.

### 2.2. Key Features of the Audit Committee and its Operation

The Committee meets CIPFA's definition of best practice as illustrated below:

Best Practice	Expectation	Met	Comment
Independence	Independent from the executive and scrutiny	√	The Committee reports to the Council
Number of Members	3 to 5 members	√	The Committee has 8 Members
Number of meetings	Aligned to business needs	√	The frequency of meetings, 5 times a year complies with best practice.

Co-option	To be considered relative to skills	√	Training is currently provided to increase Members' skills, an evaluation of the adequacy and effectiveness of this is currently being conducted and appropriate actions will be taken to address any shortcomings in due course.
Terms of Reference	Accord with suggested best practice	√	The Committee has adopted the CIPFA recommended model TOR and a review is currently being undertaken to ensure that they remain fit for purpose.
Skills and training	Members have sufficient skills for the job	√	General and specific training is provided to increase Members' skills, an evaluation of the adequacy and effectiveness of this is currently being conducted and appropriate actions will be taken to address any shortcomings in due course

### 2.3. Meetings and Attendance

The Audit Committee normally meets 5 times per year in January, March, June, September and November.

There is also a special meeting / briefing arranged specifically for the Statement of Accounts each year between July and September.

Attendance by Members and approved deputies was over 90%.

## 3. CORE ACTIVITY 2012/13

### 3.1. Terms of Reference

The Audit and Risk Management Committee's Terms of Reference are comprehensive, cover all main areas and are attached at Appendix 1 to this annual report. The Committee's work and outcomes in each of its areas of responsibility are summarised in the following subsections.

#### *Internal Audit*

The Audit and Risk Management Committee:

- Approved the Chief Internal Auditor's audit plan,
- Considered regular reports produced by the Chief Internal Auditor, highlighting internal audit work completed, internal audit performance against key indicators and any significant issues arising during the period,



- Approved amendments to the reporting arrangements to Members including the introduction of monthly summary reports from Internal Audit,
- Considered the Chief Internal Auditor's Annual Report and assurance opinion on the Council's control environment,
- Considered reviews of the effectiveness of the systems of internal audit,
- Ensured internal and external audit plans were complementary and provided optimum use of the total audit resource,
- Considered and approved revisions to Chief Internal Auditors Audit Plan,
- Considered the Chief Internal Auditors Annual Report on the implementation of recommendations identified in Audit Commission reports,
- Approved arrangements for reporting of high priority recommendations to appropriate Overview and Scrutiny Committees,
- Received an update on the Internal Audit Counter Fraud Teams' remit and activities undertaken,
- Received regular detailed updates on progress towards delivering Internal Audit's Improvement Plan, which is designed to increase overall efficiency and effectiveness of systems of Internal Audit across the Council,
- Received and considered implications of the introduction of the first UK Public Sector Internal Audit Standards,
- Considered the future structure and delivery of the Internal Audit Service,
- Introduced more robust arrangements for requiring officer attendance at meetings to answer questions on completed audits and actions arising.

We continue to provide support to the Internal Audit service to ensure management is responsive to recommendations made and agreed.

### *External Audit*

The Audit and Risk Management Committee:

- Considered the external auditor's Audit Plan,
- Considered progress against the plan presented by the external auditor,
- Received and considered all external audit and inspection reports issued in the year and considered management's response to them, ensuring robust and thorough responses,
- Reviewed the Council's progress on all external audit and inspection recommendations on a regular basis and asked managers to explain progress where appropriate, thereby holding them to account,
- Received and considered all of the external auditors reports on the Merseyside Pension Fund,
- Considered the external auditors Annual Report on Governance,
- Considered a report on the future of local public audit,
- Considered the External Auditor's Certification Work report,
- Received and considered the External Audit report on Grant Claims and Returns,
- Considered the annual audit fee, the scope and timing of work and details of the Audit Team,

- Received updates from the District Auditor on local and national issues to establish whether sufficient assurance that the Council was aware of, and responding to, the issues,

We continue to provide support to external audit to ensure management is responsive to recommendations made and agreed.

### *Risk Management*

The Audit and Risk Management Committee:

- Received details of the risk management system, how it works and arrangements in place for mitigating risks,
- Considered reports on the departmental and corporate risk registers and promoted risk management across the Council,
- Considered reports on Corporate Risk and Insurance Management,
- Considered reports on Corporate Risk and Insurance Management which reported upon the delivery of agreed plans, the involvement with legislative changes at a national level, progress of innovative support for academies and work in respect of claims management,
- Considered a report on the Corporate Risk Management Strategy and the Management of Risk and Opportunity,
- Received details of the Corporate Risk and Insurance actions planned for 2013/14, including the areas Members would be involved in.

We continue to provide support to promote effective Risk Management policy and procedures across the Council and ensure best practice is achieved.

### *Internal Control and Governance*

The Audit and Risk Management Committee:

- Agreed the Council's Annual Governance Statement and action plans to improve identified weaknesses. In 2012/13 this also included a substantially revised Statement in light of external findings being agreed in September,
- Considered and supported changes to the Council's Anti-Fraud and Corruption Strategy,
- Reviewed the effectiveness of the Council's Anti-Fraud and Corruption arrangements
- Supported work undertaken as part of the Audit Commission's National Fraud Initiative
- Considered and supported the production of an Anti Bribery Policy and its promotion across the Council
- Considered a report on Fraud Prevention in the Council
- Considered and supported amendments to the Council's Money Laundering Policy.
- Agreed the Audit and Risk Management Committee self assessment and draft action plan.

- Agreed to undertake skills assessments for Members and introduce an appropriate training programme for Committee Members and deputies.
- Agreed to retain the existing trainer to deliver Members training in 2012/13.
- Approved the updated Audit and Risk Management Committee self assessment checklist.

The Annual Governance Statement is a key document which summarises the Council's governance arrangements and the effectiveness of the arrangements during the year.

### *Accounts*

The Audit and Risk Management Committee:

- Agreed the Council's accounting policies,
- Agreed the Annual Statement of Accounts,
- Received and considered the external auditor's report on the accounts, and ensured that the Council responded to the auditor's comments
- Agreed the annual Merseyside Pension Funds accounts,
- Agreed the Merseyside Pension Fund's Annual Governance Statement and action plans to improve identified weaknesses,
- Received and reviewed the Insurance Fund Annual Report,
- Considered the implications of legislative changes to accounting and auditing arrangements from International Financial Reporting Standards and the Accounts and Audit Regulations,
- Received and considered reports on improvements to the arrangements for completing the annual Statement of Accounts,
- Considered financial reports on budget projections for 2012/15.

The Statement Of Accounts presents the overall financial position of the Council at 31 March and is produced in accordance with prescribed guidance. Committee received a briefing / presentation in September 2012 to which all Members of the Council were invited.

The Audit and Risk Management Committee received regular reports on the Council's Treasury Management arrangements. These included compliance with the Treasury Management Strategy and Investment Policy and the monitoring of the Prudential Indicators.

### *Specific Issues*

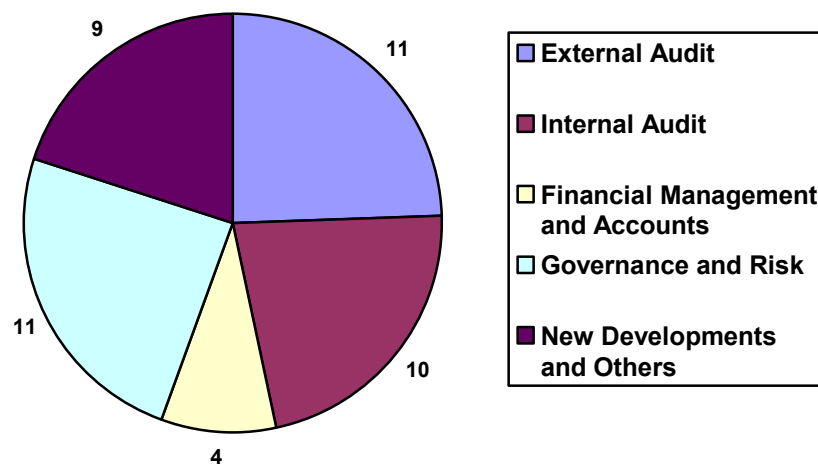
The Audit and Risk Management Committee also considered reports on the following specific issues which arose in the period:

- Regulation of Investigatory Powers Act 2000,
- Insurance arrangements and performance,
- HESPE PIDA Follow Up,

- Single Fraud Investigation Service,
- Care Homes Contingency Planning,
- Gifts Hospitality and Conflicts of Interest,
- Progress of actions in relation to Personal Budgets,
- Metro Catering Income Procedures.

To give a flavour of our business during the year, the following shows the types and numbers of reports considered between April 2012 and February 2013:

### 3.2. Numbers & Types of Reports Considered by the Audit Committee



## 4. OTHER ACTIVITIES

During the year, the Committee demonstrated its commitment to good governance by:

- Authorising amendments to the draft Annual Governance Statement.
- Arranging special meetings and devoting significant resource to addressing the issues arising from the PIDA disclosures which were made.
- Arranging a special briefing / presentation to consider the Annual Statement Of Accounts.
- Referring several matters to Cabinet for attention.
- Asking Chief Officers to attend as appropriate and present reports on issues identified which affected governance.

## **5. OUTCOMES**

The Audit Committee aims to focus on adding value through its activity. By concentrating on outcomes the Committee can identify the benefits of its work. In this very challenging year the Audit Committee:

- Presided over significant changes in the management structure of the organisation, not least the Director and Deputy Director of Finance, officers with statutory responsibilities to ensure the proper administration of financial affairs and systems of internal control,
- Encouraged and presided over significant developments and improvements to strengthen the delivery of the Internal Audit service that has included changes in the management arrangements of the service, the development of a collaborative arrangement with Liverpool Internal Audit and overseeing the implementation of a detailed improvement plan for the delivery of the internal audit service,
- Received reports which showed how improvements had been planned, and delivered, to the Statement Of Accounts which were recognised by the external auditor,
- Encouraged a strengthening of the Council' control environment, specifically by overseeing various targeted reviews and the production of and challenge to the Annual Governance Statement,
- Encouraged and presided over the development of the Council's Counter Fraud arrangements by overseeing the CIPFA Managing Fraud initiative as acknowledged by the Audit Commission's recognition of good practice in a national publication,
- Presided over the implementation of the Local Audit Bill and oversaw the replacement of the Audit Commission with Grant Thornton as the Council's providers of external auditor services.

In addition, individual Members and the Audit Committee collectively continued to develop and learn about our roles, and deliver these roles effectively.

## **6. PLANS FOR 2013/14**

During 2012/13 the Audit and Risk Management Committee has consolidated the progress that has been made in previous years, and going forward will look to develop further and become a champion of good governance for the Council helping to address many of the reported problems and issues in what promises to be a very challenging and difficult environment. Our priorities for 2013/14 are to continue to meet our duties as specified in the Constitution by developing and building on our current status. For 2013/14 we will:

- Continue to develop the Wirral Council Audit and Risk Management Committee to robustly and proactively review governance issues following recent failings in this important area. This will include the development of

a Guidance document/booklet for Members of the Committee explaining the role and providing detailed advice and guidance on all relevant issues.

- Continue to drive up standards and meet the demanding requirements of the external inspection and assessment regime,
- Continue to review all governance arrangements to ensure the Council adopts the very latest best practice,
- Continue to support the significant developments that are taking place within the Internal Audit service and ensure appropriate responses are given to their recommendations,
- Continue to support the work of the External Audit and ensure appropriate responses are given to their recommendations,
- Ensure we maintain and further improve our standards in relation to the production of accounts,
- Oversee the implementation of the Public Sector Internal Auditing Standards,
- Continue to help the Council to manage the risk of fraud and corruption,
- Continue to develop, through training and development opportunities, the Wirral Council Audit and Risk Management Committee to enable the review of risk and partnerships' issues and the safeguard of public sector interests,
- Oversee the development of more robust and embedded arrangements for the management and maintenance of effective risk management across the organisation, including more scrutiny and challenge of corporate and departmental risk registers and officer reports,
- Equip existing and any new Members to fulfil our responsibilities by providing more detailed and effective training on all key areas of responsibility including financial arrangements and risk management, governance and audit,
- Take appropriate steps to attempt to retain the current Committee membership to ensure that collective knowledge and understanding of the role and requirements of the Committee remains consistent, relevant and up to date,
- Continue to develop more effective systems to challenge officers on progress made in implementing actions required following audits and inspections including requiring more officers to attend to answer questions relating to actions taken following audit work undertaken.

**Councillor Jim Crabtree (Chair)**  
**Wirral Council Audit and Risk Management Committee**  
**March 2013**

## **7. APPENDIX**

### **AUDIT AND RISK MANAGEMENT COMMITTEE**

#### **TERMS OF REFERENCE**

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
2. The Committee has the following duties, powers and authorities:
  - 2.1. approval of the Council's statement of accounts;
  - 2.2. the responsibilities of the Council under section 151 of the Local Government Act 1972 to make proper provision for its financial affairs;
  - 2.3. to consider and make recommendations to Council or Cabinet as appropriate on;
    - 2.3.1. the annual Audit Report and the Management Letter of the external auditor;
    - 2.3.2. any other statutory report of the external auditor;
    - 2.3.3. any internal audit report that may be referred to the committee by the Chief Executive, the Director of Finance or the Head of Legal and Member Services (as Monitoring Officer);
    - 2.3.4. summaries of specific internal audit reports as requested;
    - 2.3.5. the effectiveness and adequacy of the response by the Council, the Cabinet, any committee or sub-committee of the Council or of any officer to any internal or external audit report or management letter;
    - 2.3.6. the systems of control and the arrangements for the prevention of fraud and corruption within the Council;
    - 2.3.7. any other matter relevant to the audit of the Council's accounts and financial records or its systems for the control and safeguarding of all the Council's assets;
    - 2.3.8. a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale; and
    - 2.3.9. the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the

level of assurance it can give over the Council's corporate governance arrangements;

- 2.4. to approve (but not direct) the strategy, plan and performance of the Council's internal audit service;
  - 2.5. to oversee the production of the Authority's Statement on Internal Control and recommend its adoption;
  - 2.6. to maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and to make recommendations to Council or Cabinet, as appropriate;
  - 2.7. to monitor the Council's policies on "Raising Concerns at Work", to the anti-fraud and corruption strategy and the complaints procedure;
  - 2.8. to liaise with the Audit Commission over the appointment of the Council's external auditors.
3. The Chair of the Audit and Risk Management Committee shall act as the Council's Risk Management Champion.
  4. Executive Members will not normally be members of the Audit and Risk Management Committee



## Equality Impact Toolkit

<b>Section 1:</b>	<b>Your details</b>
<b>Council officer:</b>	M P Niblock
<b>Email address:</b>	markniblock@wirral.gov.uk
<b>Head of Service:</b>	<b>Acting Chief Internal Auditor</b>
<b>Chief Officer:</b>	<b>Interim Director of Finance</b>
<b>Department:</b>	Finance Department
<b>Date:</b>	05/03/13

<b>Section 2:</b>	<b>What Council function / proposal is being assessed?</b>
	<b>ARMC ANNUAL REPORT TO CABINET 2012/13</b>

<b>Section 2b:</b>	<b>Is this EIA being submitted to Cabinet or Overview &amp; Scrutiny Committee?</b>
<b>Yes</b>	<b>If 'yes' please state which meeting and what date</b>
	<b>Audit and Risk Management Committee – 19 March 2013</b>
	<b>And please add hyperlink to your published EIA on the Council's website</b>
	.....

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

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

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

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

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

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

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

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

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

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

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

Protected characteristic	Positive or negative impact	Action required to mitigate any negative impact	Lead person	Timescale	Resource implications

**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 function / policy?

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?

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

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

## WIRRAL COUNCIL

### CABINET

13 JUNE 2013

<b>SUBJECT:</b>	<b>LOCAL SUSTAINABLE TRANSPORT FUND 2013/14 PROGRAMME</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR FOR REGENERATION AND ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR HARRY SMITH STREETSCENE AND TRANSPORT SERVICES</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to request Members approve the 'Key Component' and 'Major Bid' programmes of the 2013/14 Local Sustainable Transport Fund (LSTF). £1,084,860 of 'major' funding and £235,000 of 'key component' funding has been allocated to Wirral for 2013/14.
- 1.2 The LSTF aims to assist the Council to support Wirral residents to access employment opportunities, as well as encouraging the use of sustainable transport and contributing to reducing carbon emissions in the Borough. The LSTF delivery area is shown in Appendix One.

#### 2.0 BACKGROUND AND PROGRESS TO DATE

- 2.1. On the 19<sup>th</sup> January 2011 the Department for Transport (DfT), as part of the Local Transport White Paper, issued guidance regarding the creation of a £560 million LSTF. The purpose of this fund was to help build local economies and address climate change. The fund, both revenue and capital was available over four financial years from 2011/12 to 2014/15.
- 2.2. On the 5<sup>th</sup> July 2011 Merseytravel, on behalf of the Merseyside Transport Partnership (MTP) were successful with a £4.877m Key Component bid and Wirral was awarded £810,000 for delivery of projects in East Wirral. In December 2011, the MTP submitted a Major Bid of £22 million. In July 2012 Merseytravel were informed that the Major Bid was successful and were awarded £19.99 million. Of this, Wirral was awarded £3.2 million.

#### 3.0. 2013/14 PROGRAMME – CAPITAL

##### 3.1. Key Component Funding

3.1.1. £100,000 of LSTF 'key component' capital has been awarded to Wirral for 2013/14 and the programme has been identified as follows:

KEY COMPONENT	Scheme Name	Capital £'000
Working with Employers	Infrastructure grants for employers	10
Sustainable Transport Infrastructure	Woodchurch Road/Singleton Avenue, Birkenhead	90
	<b>Total</b>	<b>100</b>

### 3.2. Major Bid Funding

3.2.1. £676k of LSTF 'major bid' capital funding has been allocated to Wirral for 2013/14 and is distributed across the various programmes as follows:

MAJOR	Capital £'000
Walking and Cycling Infrastructure	416
Visitor Economy – Walking and Cycling	104
Highway Network Improvements	156
<b>Total</b>	<b>676</b>

3.2.2. The following table illustrates a breakdown of the individual schemes in each of the individual programmes:

'Major' Programme	Scheme Name	Cost £'000
Walking & Cycling Infrastructure (£416k)	Bidston Link	80
	Levers Causeway	110
	Seacombe Ferry/Birkenhead Road	160
	A41 Eastham – M53 (advance design costs)	10
	A41 Croft Retail (advance design costs)	10
	Torr Road/Woodyear Road	46
Visitor Economy (£104k)	New Brighton Marine Lake Cycle Link	50
	Pasture Road Link – Leasowe Lighthouse	54
Highway Network Improvements (£156k)	A41 Caldbeck Road	156
	<b>Total</b>	<b>676</b>

## 4.0 2013/14 PROGRAMME – REVENUE

### 4.1. Key Component Funding

4.1.1. £135,000 of 'key component' revenue funding has been awarded to Wirral for 2013/14 as follows:

<b>KEY COMPONENT</b>	<b>Revenue £'000</b>
Working with Employers	40
Travel Solutions	95
<b>Total</b>	<b>135</b>

4.1.2. The 'Working with Employers' programme will continue to be delivered as per the 2012/13 programme. The programme aims to raise awareness of sustainable travel choices, identify travel related concerns and issues for local businesses and initiate programmes with employers to address these concerns.

4.1.3. The 'Travel Solutions' programme will also continue to be delivered as per the 2012/13 programme and aims to lower barriers that people face and to support them to access employment and training. The project will continue to offer information, advice and guidance on different travel options available and offers solutions including personalised journey planning; travel cards; cycle to work, scooter commuter and travel training. The project provides a streamlined service to identify and assist with the travel needs of people, as well as operating travel workshops in the community.

## **4.2. Major Bid Funding**

4.2.1. £409k of 'major' revenue funding has been allocated to Wirral for 2013/14, and is distributed across the various programmes as follows:

<b>MAJOR</b>	<b>Revenue £'000</b>
Walking and Cycling – General Promotion	6
Walking and Cycling – Promotion of Visitor Economy	6
Business Travel Support	99
Community Travel Hub	165
Bike It+	50
Bike & Go	50
Maxi Taxi	33
<b>Total</b>	<b>409</b>

4.2.2 Revenue funding is provided for both general promotional activities to support walking and cycling to employment, and for the promotion of walking and cycling to access visitor attractions.

4.2.3 The major funding for 'Business Travel Support' is combined with the funding secured for the key component 'Working with Employers' project to deliver one overall programme for employers. This funding is used to raise awareness of sustainable travel choices and identify travel related concerns and issues for local businesses and initiate programmes with employers to address these concerns. The programme will also support two Business Travel Support posts to deliver and develop the project, and will also support Road Safety Officers to work with businesses to target employers.

4.2.4 The Business Travel Support funding will also be used to support the New Brighton Shuttle Bus for 2013/14 and 2014/15. The bus will run at weekends and on bank holidays during the summer to alleviate congestion in the area.

- 4.2.5 The funding for the 'Community Travel Hub' is combined with the funding secured for the key component 'Travel Solutions' to deliver one overall programme for employers. The funding is used to provide staff for the Hub and for the provision of travel solutions.
- 4.2.6 Revenue funding will also be used for the development of the existing 'Bike It+' project (which is a separate Merseyside Local Sustainable Transport Fund project already being delivered by Sustrans). It is proposed to work with Sustrans to provide an additional Bike It+ Officer to be based in Wirral. The Bike it+ scheme works along side pupils and their parents to offer sustainable and active travel solutions and provides free cycle training and cycling opportunities.
- 4.2.7 Revenue funding will also be used to support the development of the 'Bike & Go' scheme which is being developed at Bidston Station. The project requires a £50k contribution in 2013/14 only, and would be used to support the implementation of a bike hire scheme at the stations.
- 4.2.8 The 'Maxi Taxi' project is to be delivered in conjunction with Merseytravel and will provide a flexible taxi project to assist residents of East Wirral to access employment opportunities where no other public transport alternative exists, or where shift patterns make access difficult for those without a car.

## **5.0. RELEVANT RISKS**

- 5.1. The principal risks for the Council are attached to the failure to continue to deliver all or part of the project and therefore not satisfy the requirements of the funding agreement with Merseytravel. In theory this may result in the Council not being able to make a valid claim for the full allocation of the grant from Merseytravel.
- 5.2. This risk will be minimal due to in house project management as well as through the Merseytravel project management reporting structures which include monthly reporting, quarterly steering groups and project boards. This would allow any issues to be identified and managed at an early stage.

## **6.0. OTHER OPTIONS CONSIDERED**

- 6.1. There are no other options to consider as the funding has been allocated to Wirral based on a successful bid by the MTP to the Department for Transport (DfT). In order to claim the funding from Merseytravel, as the accountable body to the DfT, the programme must be delivered in accordance with the bid.

## **7.0. CONSULTATION**

- 7.1. No specific consultation is required for the programme as a whole. This project has been developed with the MTP and stakeholders were consulted during the development of the bid. As individual capital infrastructure projects are being developed consultation will be undertaken.

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

- 8.1. The DfT is keen that the LSTF provides benefits for community and voluntary organisations through the delivery of the programme. The project offers opportunities for the voluntary and community to benefit from the funding available through support



packages that are offered under the Working with Employers and Travel Solutions packages.

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

- 9.1. The project will be fully funded through LSTF and there will be no additional financial implications for the Council. The Council will submit quarterly claims to Merseytravel for expenditure incurred to that date.
- 9.2. The project is delivered using existing staff resources in the Regeneration and Environment Directorate, as well as through the creation of seven new fixed term posts which have been, or will shortly be filled using redeployees and internal staff.
- 9.3. Infrastructure schemes will be implemented as part of the LSTF programme and will become a quantified Council highway asset and as such, will be subject to ongoing maintenance within existing resources. £39.5k of the LSTF grant for Wirral has been allocated by the DfT for maintenance although clarification is still being sought from the DfT by Merseytravel as regard to how this will be allocated and it is envisaged that it will be added to the annual capital allocation.
- 9.4. Additional IT equipment has been required to support the delivery of the project but the cost of this has been met from within the allocated funding.
- 9.5. The DfT have indicated that they would like to see that these projects are sustainable in the long term and, as such, during the life of the project. Officers will work with partners in the private sector, and with third sector organisations to identify options for on-going delivery post March 2015.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 In order to receive the funding Wirral Council have previously signed up to two separate legal funding agreements with Merseytravel. Merseytravel, as the Integrated Transport Authority (ITA) are the accountable body for the project with the DfT.
- 10.2 The purpose of the funding agreement is to ensure that all the terms and conditions of the grant are met and will ensure that Merseytravel authorise the financial claims that Districts make regarding the project.
- 10.3 In order for Merseytravel to accept the funding they have signed a legal agreement with the DfT under Section 31 of the Local Government Act 2003.

## **11.0. EQUALITIES IMPLICATIONS**

- 11.1. An equalities impact assessment has previously been undertaken for the LSTF project – please follow link to <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/technical-services-0>

## **12.0. CARBON REDUCTION IMPLICATIONS**

- 12.1 The development of walking and cycling infrastructure, and the promotion of walking and cycling as active and sustainable modes will contribute towards a reduction in single occupancy car trips and a reduction in carbon emissions. Encouraging and

supporting the use of public transport through the 'Working with Employers' and 'Travel Solutions' elements of the package will also assist in reducing carbon emissions.

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

13.1 Any applications by employers for facilities such as bike shelters or storage would be subject to the normal planning permission process.

### **14.0. RECOMMENDATIONS**

14.1. Cabinet is requested to:

(1) Approve the delivery of the 2013/14 LSTF Capital programme as set out in Section 3 of this report.

(2) Approve the delivery of the 2013/14 LSTF Revenue programme as set out in Section 4 of this report.

(3) Delegate authority to the Head of Environment and Regulation in conjunction with the Cabinet Member for Streetscene and Transport Services and Party Spokespersons to make necessary adjustments to the priorities within the programme should the need arise due to financial conditions or other factors.

### **15.0 REASON/S FOR RECOMMENDATION/S**

15.1. Cabinet is aware of the significant reductions in funding for transport through the Local Transport Plan settlements in recent years. The funding available through LSTF provides the opportunity to deliver additional projects and schemes in Wirral which will assist in the removal of transport as a barrier for people seeking employment, as well as supporting and delivering projects which will secure carbon reduction.

15.2. 2013/14 is the second year of the three year major LSTF programme and Merseytravel have indicated that any unspent allocations cannot be carried forward into the final year of the programme. £1,084,860 of 'major' funding and £235,000 of 'key component' funding has been allocated to Wirral for 2013/14, and the Strategic Director of Regeneration and Environment seeks approval to spend this funding on the identified programmes within the current financial year.

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### **APPENDICES**

Appendix 1 – LSTF Delivery area in Wirral

### **REFERENCE MATERIAL**

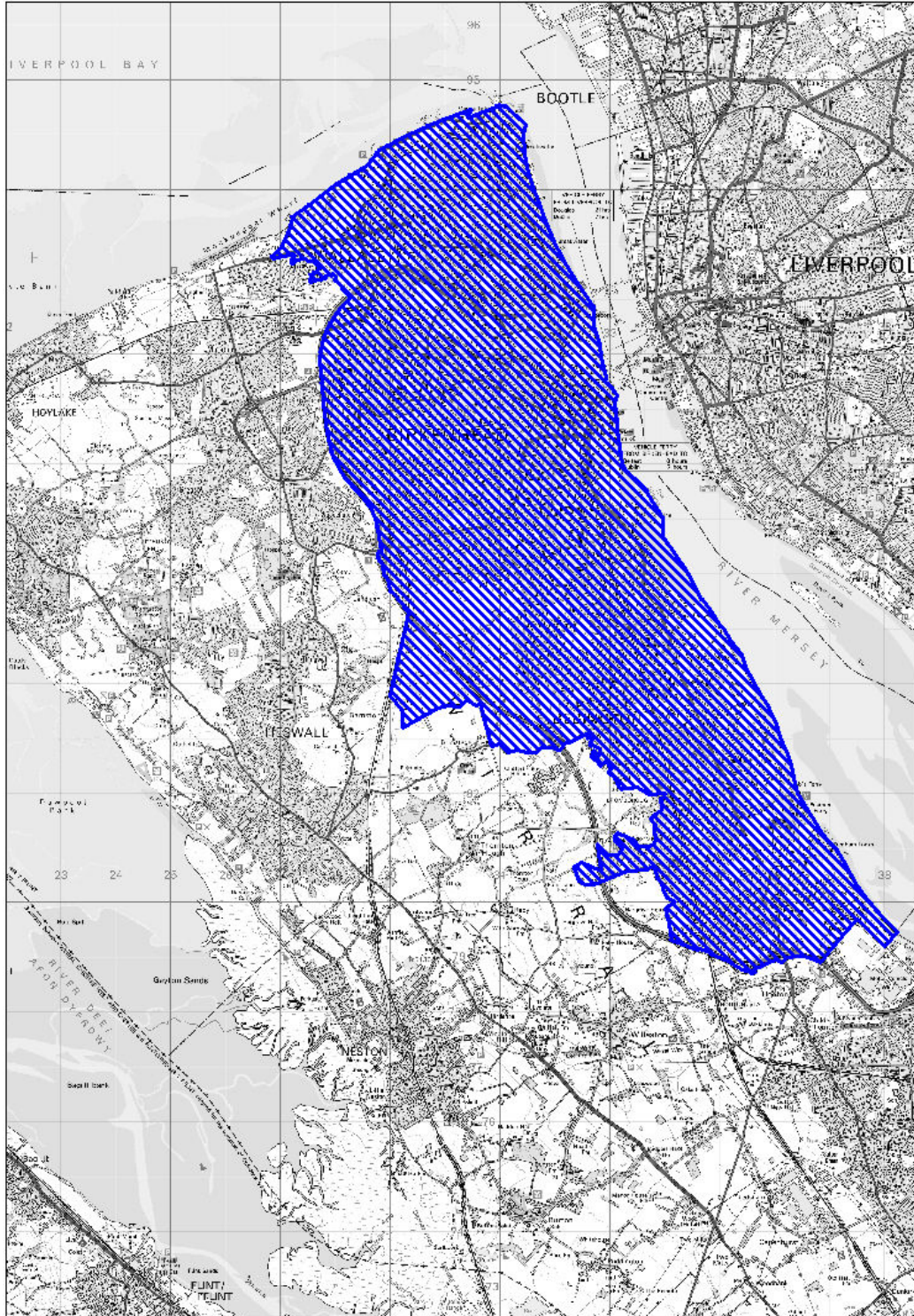
None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet – Purchase of Public Transport Tickets</b>	<b>24<sup>th</sup> January 2013</b>
<b>Cabinet – Acceptance of Major Bid Funding</b>	<b>18<sup>th</sup> October 2012</b>
<b>Cabinet –2011/12 Progress Report and 2012/13 Programme</b>	<b>12<sup>th</sup> April 2012</b>
<b>Cabinet – Acceptance of Key Component Funding</b>	<b>24<sup>th</sup> November 2012</b>

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## Appendix 1 – East Wirral (Area of LSTF bid)



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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