



# Cabinet

<b>Date:</b>	<b>Monday, 7 July 2014</b>
<b>Time:</b>	<b>5.00 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.

### LEADER OF THE COUNCIL

### 3. NATIONAL NON DOMESTIC RATES DISCRETIONARY RELIEF

To Follow

### 4. COUNCIL BUDGET 2015/16 AND 2017/18 (Pages 1 - 8)

### 5. FINANCIAL MONITORING 2014/15 (Pages 9 - 48)

### 6. FINANCIAL OUT-TURN REPORTS FOR 2013/14 (Pages 49 - 80)

7. **TREASURY MANAGEMENT ANNUAL REPORT 2013/14 (YEAR END REPORT) (Pages 81 - 94)**

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

8. **QUALITY ASSURANCE AND STANDARDS OF CARE HOMES IN WIRRAL - SCRUTINY REPORT (Pages 95 - 134)**

At its meeting held on 8 April 2014, the Policy and Performance Families and Wellbeing Committee considered a report from the Chair of the Care Homes Scrutiny Panel.

The Committee had agreed to refer the report to Cabinet. The minute and report are attached.

#### **CHILDREN AND FAMILY SERVICES**

9. **CHILDREN AND YOUNG PEOPLE'S DEPARTMENT DAY NURSERY PROVISION (Pages 135 - 142)**
10. **PROVISION OF CHILDREN AND ADULT TRANSPORT SERVICES (Pages 143 - 146)**

#### **ECONOMY**

11. **NEIGHBOURHOOD PLANNING - LEASOWE (Pages 147 - 176)**

#### **ENVIRONMENT AND SUSTAINABILITY**

12. **GARDEN WASTE CONTRACT AWARD (Pages 177 - 182)**
13. **POTHOLE FUNDING (Pages 183 - 186)**
14. **REVIEW OF BIFFA CONTRACT EXTENSION PROPOSAL**

To Follow

#### **GOVERNANCE, COMMISSIONING AND IMPROVEMENT**

15. **CORPORATE EQUALITY PLAN 2014-2017 (Pages 187 - 200)**

#### **LEISURE, SPORT AND CULTURE**

16. **TRANSFORMATION OF LEISURE SERVICES SPORTS AND LEISURE FACILITIES PRICING STRUCTURE (Pages 201 - 220)**
17. **SOFT MARKET TESTING EXERCISE - GOLF COURSES (Pages 221 - 230)**

#### **SUPPORT SERVICES**

18. **DISPOSAL OF LAND TO THE REAR OF PENSBY PARK, FISHERS LANE, PENSBY (Pages 231 - 236)**

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

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

**20. 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.

**21. EXEMPT APPENDICES - REVIEW OF BIFFA CONTRACT EXTENSION PROPOSAL**

Appendices 1,2 and 3 to agenda item 14.

(To Follow)

Exempt by virtue of paragraph 3 as they contain commercially sensitive information.

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

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

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## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>COUNCIL BUDGET 2015/16 – 2017/18</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 builds upon the Future Council Project Update presented to Cabinet on 19 June 2014. It sets out the process to deliver a Council Budget (revenue and capital) for 2015/16 and forecast Budgets for the following years 2016/17 – 2017/18 for agreement by Council in February 2015 and the latest financial projections from the Medium Term Financial Strategy.

#### 2.0 BACKGROUND AND KEY ISSUES

##### TIMETABLE

2.1 Building upon the approach adopted for the 2014/15 Budget the proposed activities comprise:-

- Preparation (April to July) – developing the Future Council work that was reported to Cabinet on 13 March 2014 and 19 June 2014 in undertaking service reviews, challenging and then designing taking forward the emerging options.
- Budget Calculations (July to September) – the development of the findings to a range of options that exceed the eventual solution to provide Cabinet with options from which to determine the preferred outcome.
- Consultation (September to November) – the major consultation will occur and will inform the decisions to be taken. This will be the full list of ‘officer options’ so that residents are fully informed of the choices that face the Council. After November a further consultation will follow focussed on implementation and individual need.
- Member Engagement (July to November) – the Policy & Performance Scrutiny Committees will consider the broad principles and emerging options in July; discuss and provide feedback on the options in September and consider the consultation feedback and make recommendations to Cabinet in November.

- Decisions (December and January) – the Cabinet will recommend to two separate Council meetings packages for adoption and implementation;
- Budget Agreed (late-February) – the Council meeting in late-February will set the Council Tax and address matters that have arisen, usually from processes that run to a later timetable, such as the final Government Grant announcement and the precepts from the Police Commissioner and the Fire & Rescue Service.

2.2 The timetable will develop as information becomes available. Other tasks such as the closure of the 2013/14 Accounts and the Financial Monitoring 2014/15 will also inform the Budget setting process.

### **MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

2.3 The Strategy presented to Cabinet on 12 February 2014 reflected the Budget 2014/15 taking into consideration the savings agreed by the Council and the Local Government Finance Settlement 2014/15. This identified the gap between forecast expenditure and income to be £45 million over 2014/17 which equates to an approximate 20% reduction in net expenditure:-

#### **Forecast Funding Gap 2014//15 – 2016/17**

	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	Total Gap
	£million	£million	£million	£million
Forecast Expenditure (includes demographic changes)	276	275	277	
Forecast Income (includes reduction in grant)	276	257	250	
Forecast Funding Gap	0	18	27	45

2.4 In updating the projected position the current assumptions regarding the projections for 2015/17 have been reviewed and to keep the Strategy as a three-year view 2017/18 has been added. This has amended the potential gap to £70 million but is now covering 2015/18 and based upon a range of assumptions which could, and will, change over the period.

#### **Forecast Funding Gap 2015//16 – 2017/18**

	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	Total Gap
	£million	£million	£million	£million
Forecast Expenditure (includes demographic changes)	275	277	264	
Forecast Income (includes reduction in grant)	257	250	239	
Forecast Funding Gap	18	27	25	70

2.5 In considering the forecast funding gap it is helpful to understand the assumptions which contribute to this position. Whilst these are based upon the position at Wirral the assumptions have also drawn upon the work of the Local Government Association and other authorities particularly with regard to 2016/17 and beyond. The assumptions comprise:-

- Growth including for unfunded demographic changes.
- Inflation including pay, superannuation and national insurance.
- Capital financing.
- External income primarily Government Grant.
- Local income changes from Council Tax and Business Rates.
- New legislative responsibilities.

#### **Forecast Funding Gap Analysis 2015//16 – 2017/18**

	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	Total
	£million	£million	£million	£million
Increased Expenditure from Growth / Inflation / Pressures	14	14	14	42
Reduced Income from declining Government Grant	24	14	11	49
Savings Agreed as part of the Budgets 2013/14 and 2014/15	-20	-1	0	-21
Forecast Funding Gap	18	27	25	70

#### **Expenditure**

- 2.6 Whilst growth includes around £2 million per year to reflect demographic changes which are kept under periodic review and will be influenced by the outcome of the Future Council work other factors will result in increased spend. There is £1.5 million of services presently met from the Wirral Council : Magenta Living Community Fund which will potentially have to be met in full by the Council from 2015/16 as this Fund has virtually all been committed.
- 2.7 Prior to 2014/15 legislation regarding the determination of excessive Council Tax rises meant that any variations to the Transport and Waste levies could require the Council to hold a Referendum. This is no longer the case. At this stage increases in future levies are assumed and as Merseytravel has provided grant funding to support highways infrastructure works which, under current plans, ceases at the end of 2015/16 there is a potential growth requirement.
- 2.8 The Council implemented changes to the Terms and Conditions of the workforce in the 2013/14 Budget which included the taking of 4 days unpaid leave per year for three years. As a consequence the projections for 2016/17 include for the restoration of the £1.4 million budget.

- 2.9 An estimate for inflation has been assumed. This includes an assessment of likely contractual commitments at £2.5 million per year, 2% for pay awards from April 2015 (1% is assumed from April 2014) with a general allocation for prices, together with the increases in the employers superannuation contributions based upon the latest Pension Fund actuarial revaluation. National insurance contribution rates are set to change from April 2016 and the potential impact has been included within the growth assumptions and the next triennial review of the Pension Fund will result in revised contributions and deficit recovery payments being implemented from April 2017.
- 2.10 There is the assumption that any reduction in Government Specific Grant funding will be met by a corresponding reduction in the service that previously received the funding and the reduction in grant will not be funded by the Council.

### **Income**

- 2.11 Whilst the Government has issued indicative grant allocations for 2015/16 there have been no announcements regarding funding beyond 2015/16. There remains the intent to eliminate the Budget Deficit and the present financial strategy is expected to continue whichever Government is in control/ The scale may vary but will be influenced by the performance of the economy and income from tax revenues.
- 2.12 Based on the information available, including the work of the Local Government Association (LGA) the projections for Government Grant in 2017/18 are for reductions of between £7 million (if reductions are less than the current scale) to £11 million (the LGA view of an 8% reduction).
- 2.13 The Council has indicated that, if the conditions surrounding the Council Tax Freeze Grant are maintained in 2015/16, then it is the intention to freeze the Council Tax for 2015/16. The forecast presently assumes no increases. The projections do assume an increase in the Council Tax Base of around £0.6 million per year. The release of sites for disposal will result in an increase in the number of properties and Council Tax yield which will be factored into the forecast when details are clear.
- 2.14 The changes to Business Rates effective from April 2013 result in increased risks to the Council from non-collection but offer opportunities through the sharing of increased rates income. The forecast presently assumes inflationary increases of £0.7 million per year with £1 million from 2016/17 (based upon the LGA projections). At this stage nothing has been added from the progression of Wirral Waters and the Golf Resort resulting in additional income, although the timing and the sums involved have yet to be determined.



## Savings

- 2.15 Cabinet is advised that decisions involving £57 million savings were taken as part of both the Budget 2013/14 and Budget 2014/15 which are being implemented and have to be delivered over the period 2014/17. The assumption is that these savings are delivered on time and in full:-

### Savings Agreed

	2014/15	2015/16	2016/17	Total
	£million	£million	£million	£million
Savings Agreed	36	20	1	57

## Balances

- 2.16 The level of General Fund balances and Reserves are key to the financial resilience of the Council which is critical at a time of increasing financial pressures and in difficult economic times. The holding of sufficient funds is part of the move to improve resilience. The locally and risk based approach to the level of General Fund balance, agreed by Cabinet as part of the Revenue Budget 2014/15 on 12 February 2014, is in line with the achievement of this approach.

### Level of General Fund Balances

	2014/15	2015/16	2016/17
	£million	£million	£million
Assessed level February 2014	17	15	14

- 2.17 The Reserves include, at 1 April 2014, the sum of £14.2 million in a Future Council Re-Modelling Reserve. This has been established to help deliver the substantial changes needed to be introduced in order to deliver the future priorities from the reduced resources. It will meet the cost of investment as well as the one-off costs associated with reducing the workforce.

## MANAGING WITHIN THE RESOURCES

- 2.18 The Future Council Project is taking a holistic view of the services the Council can provide from the potential £239 million available in the future and how best this resource can be used to deliver the Vision and the priorities detailed in the Corporate Plan.
- 2.19 Cabinet on 19 June 2014 considered a Future Council Project Update which incorporated an outline of the emerging options. This set out a thematic approach to looking at services together with the principles and emerging options under the headings:-

- Enabling Services
- Community and Neighbourhood Services
- Specialist and targeted Services

2.20 Also identified were a range of universal and cross-cutting options which were summarised as:-

- Charging, income and collection.
- Commissioning, procuring and contracting.
- Reshaping customer contact.
- Efficient approach to transactions.
- Flexible and mobile working.
- Out of hours services.

2.21 There are significant changes occurring which will impact upon both service provision and the funding. These will be kept under review and updates provide to Cabinet as the financial projections remain subject to change.

#### **For individuals**

- Welfare Reform including the impact of the Local Council Tax Support Scheme and the cessation of Government support under Local Welfare Assistance.
- Changes to service provision as a consequence of the savings. Whilst this will be mitigated as far as possible the forthcoming period will see services provided by other means and in some cases cessation of services.
- There will be a greater involvement of the communities and residents in taking greater ownership for their own affairs and localities.
- The scale of the gap will result in a reduced Council workforce with savings 2015/17 in the order of 20% being required.

#### **For the Council**

- The Future Council project will result in the Council becoming more targeted towards delivering the priorities as set out in the Corporate Plan with a consequent reduced direct involvement in other areas.
- Increased costs as a result of Government decisions including increase in National Insurance employer's costs.
- Impact of the Care Act and the closer working between the Health Sector and the Council Social Services in order to deliver efficiencies within the Social Care sector.
- The impact of Government funding changes with Business Rate income now offering both potential benefits (from the expansion of businesses in such as Wirral Waters) and greater risks (if income is not received through a reduction in the number of businesses within the borough).

### **3.0 RELEVANT RISKS**

3.1 The report includes the anticipated future financial position for the Council. It contains and / or is based on forecast amounts for key budget items such as Government funding and includes a number of assumptions. A key risk is that the assumptions change of which the most likely are those related to:

- Government funding levels;
- Changes in Government policies,
- Demand for services;
- Changes in inflation
- Levies from other bodies.

3.2 The MTF5 sets out a planned approach to the funding deficit that the Council faces. The Council's response through its budget options comes with risks that arise in the main from the considerable size reductions in expenditure that are required. To mitigate the risk, the achievement of agreed savings will have to be proactively managed.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options are available in connection with this report.

### **5.0 CONSULTATION**

5.1 No consultation has been carried out in relation to this report but is an integral element of the delivery of the Corporate Plan and Council Budget.

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

6.1 There are no implications arising directly from this report.

### **7.0 RESOURCE IMPLICATIONS**

7.1 In terms of financial implications the Council has agreed to implement £57 million of savings between 2015/17, the forecast funding gap 2015/17 is £45 million with a further £25 million gap projected for 2017/18.

7.2 The achievement of the savings will result in a reduction in the workforce. This has been assessed at around 500 to deliver the existing savings. The one-off cost of reducing the workforce by such numbers is in the order of £30 million and will be met from the Re-Modelling Reserve which is presently £14 million. Options are being prepared for consideration in terms of the future savings and it is anticipated that this will lead to further significant reductions.

### **8.0 LEGAL IMPLICATIONS**

8.1 The Council must set a legal Budget for the 2015/16 financial year by 10 March 2015.

8.2 The Council has a legal duty to mitigate any adverse impact arising from savings affecting staff, particularly if that involves redundancies. The taking of steps to help mitigate such risks and adverse impact is consistent with the Council's legal duties and responsibilities.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are no implications arising directly from this report. As part of the development of the options Equality Impact Assessments will be completed.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are no implications arising directly from this report.

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

11.1 There are no implications arising directly from this report.

## **12.0 RECOMMENDATIONS**

12.1 The Corporate Plan be reviewed and agreed by Council to provide the basis of the 2015/16 Budget.

12.2 That recommendations on the Council Budget be considered by Council in December 2014 and February 2015.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 The Council Budget aims to deliver the Council objectives as set out in the Corporate Plan and has to be set in the context of the available resources. The Council has to agree a Budget by the 10 March for the financial year commencing on the 1 April.

13.2 The strategy of decisions being made earlier so that timely implementation will reduce risk and increase savings and assist the Council meet its legal duties and responsibilities thereby reducing the level of spending reductions.

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## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Revenue Budget 2014/17	12 February 2014
Cabinet – Medium Term Financial Strategy 2014/17	12 February 2014
Cabinet – Future Council Project Update	19 June 2014

## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>FINANCIAL MONITORING 2014/15 MONTH 2 (MAY 2014)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 details the Monitoring position for Month 2 (ending 31 May 2014). There are separate appendices for Revenue and Capital.

#### **2 BACKGROUND AND KEY ISSUES**

- 2.1 Throughout the financial year Cabinet will receive monthly updates in respect of Revenue and Capital Monitoring.

#### **3 RELEVANT RISKS**

- 3.1 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 of progress against budget plans and use of a tracking system to monitor the delivery of savings.
- 3.2 The possible failure to deliver the Capital Programme will be mitigated by regular review by a cross directorate officer group.

#### **4 OTHER OPTIONS CONSIDERED**

- 4.1 No other options were considered.

#### **5 CONSULTATION**

- 5.1 No consultation has been undertaken relating to this report.

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

- 6.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

## **7 RESOURCE IMPLICATIONS**

- 7.1 The financial implications are detailed within the Appendices.
- 7.2 There are no direct staffing, IT or asset implications arising directly from this report.

## **8 LEGAL IMPLICATIONS**

- 8.1 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.

## **9 EQUALITIES IMPLICATIONS**

- 9.1 There are no equality implications arising from this report.

## **10 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are no implications arising directly from this report. These are included in reports to Cabinet on individual capital schemes and in the Carbon Budget report.

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

- 11.1 There are no implications arising directly from this report.

## **12 RECOMMENDATIONS**

- 12.1 Revenue:
- (i) Cabinet is asked to note that at Month 2 (May 2014), the full year forecast projects a gross General Fund overspend of £3,137,000.
  - (ii) Cabinet is asked to note the increased commitment of £152,000 for Carbon Reduction Commitment allowances contained within the above figure
  - (iii) Cabinet is asked note the payment of New Homes Bonus grant of £242,253 which is a general grant received outside of directorate budgets.
  - (iv) Cabinet is asked to note the risks relating to non delivery of savings as detailed in paragraph 3.3 of appendix A and requirement for mitigation and actions to be identified
  - (v) Cabinet notes the mitigation actions being undertaken including capitalisation, reprofiling and use of public health budgets as per paragraph 3.5 (of Appendix A) and reductions to 2014/15 growth as detailed in paragraphs 5.2 and table 5 above (of Appendix A). Further mitigation action will be developed as appropriate during the year.

- (vi) Cabinet approve the application of the additional New Homes Bonus grant against the Carbon reduction commitment and overall overspend to reduce the net overspend to £2,894,747.

## 12.2 Capital

That Cabinet is asked to note:

- (i) the spend to date at Month 2 of £1.3 million, with 16.7% of the financial year having elapsed;

That Cabinet is asked to agree:

- (i) the revised Capital Programme of £61.3 million (Table 1 at 3.1 of Appendix B);

## 13 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 2014/15 Month 2 (May 2014)  
Appendix B Capital Monitoring 2014/15 Month 2 (May 2014)

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Revenue Monitoring Cabinet – Capital Monitoring	Monthly reports since September 2012

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CABINET

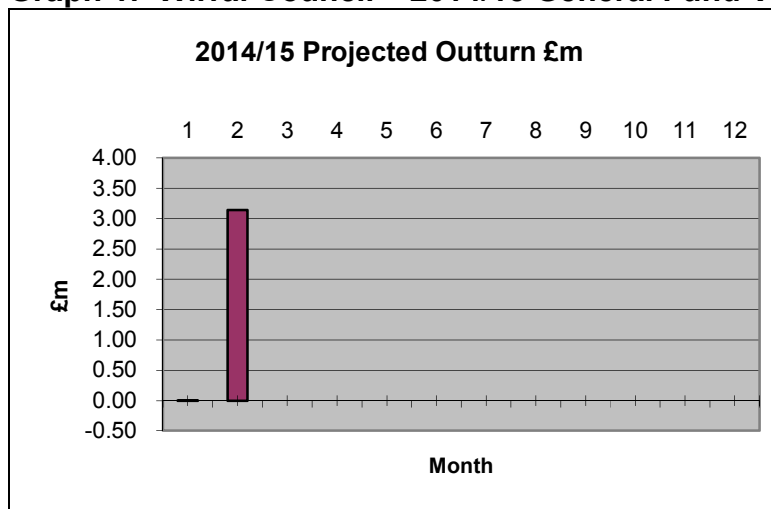
7 JULY 2014

<b>SUBJECT</b>	<b>REVENUE MONITORING 2014/15 MONTH 2 (MAY 2014)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 2014/15, which at Month 2 (May 2014) shows a projected General Fund overspend of £3.14 million (1.1% of the net revenue budget). The major source of the variance relates to the savings programme delivery within the Families and Well Being Directorate. Processes are in place for rigorous monitoring which have early in the financial year identified pressures and will allow actions to be put in place to deal robustly with this matter. Management actions are being developed to address this issue which will be reported in future monitors. In addition the report flags up a number of corporate wide savings which will require careful monitoring and identification of mitigating measures to ensure savings are delivered in the year.
- 1.2 The report also details increased in year commitments relating to Carbon Reduction Commitment (CRC) allowances of £152,000 relating to street lighting and the receipt of additional New Homes Bonus monies of £242,253.

**Graph 1: Wirral Council – 2014/15 General Fund Variance, by month**



## 2 CHANGES TO THE AGREED BUDGET

- 2.1 The 2014/15 Budget was agreed by Council on February 25, 2014 and is detailed in Annex 2; any increase in the Budget has to be agreed by full Council. Any changes to the budget occurring since it was set will be summarised in the table below.

**Table 1: 2014/15 Original & Revised Net Budget by Directorate £000's**

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 1-2	Revised Net Budget
Chief Executive	10,035	-	-	10,035
FWB - Adult Social Services	74,667	-	-	74,667
FWB – Children & YP, Schools & Safeguarding	82,877	-	-	82,877
FWB - Sport & Recreation	8,502	-	-	8,502
Regeneration & Environment	95,190	-	-	95,190
Transformation & Resources	20,199	-	-	20,199
Corporate Growth & Savings	-15,813	-	-	-15,813
<b>Net Cost of Services</b>	<b>275,657</b>	<b>0</b>	<b>0</b>	<b>275,657</b>

- 2.2 There have been no budget movements between directorates in the first two months of the year.

## 3 PROJECTIONS AND KEY ISSUES

- 3.1 The outturn position projected as at the end of period 2, key issues emerging and directorate updates are detailed below.

### Projections

**Table 2: 2014/15 Projected Budget variations by Directorate £000's**

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Month 2	RAGBY Classification	Change from prev mnth
Chief Executive	10,035	10,187	152	A	-
FWB - Adult Social Services	74,667	77,662	2,995	R	-
FWB – Children & YP, Schools & Safeguarding	82,877	82,877	0	G	-
FWB - Sport & Recreation	8,502	8,513	11	G	-
Regeneration & Environment	95,190	95,190	0	G	-
Transformation & Resources	20,199	20,178	-21	G	-
Corporate Growth & Savings	-15,813	-15,813	0	G	-
<b>TOTAL</b>	<b>275,657</b>	<b>278,794</b>	<b>3,137</b>		<b>0</b>

The main report only comments on large variations (Red and Yellow items). The 'variations' analysis over 28 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 3: Directorate Business Area Projected Budget variations**

	Chief Exec	FWB	Rege & Environ	Trans & Res	Total
Red Overspend	0	1	0	0	1
Yellow Underspend	0	0	0	0	0

The full Table is set out at [Annex 3](#)

- 3.2 One business area is currently flagged as red rated. This is Delivery within Families and Well Being - Adult Social Services and relates mainly to the delivery of 2014/15 savings for which management actions will need to be identified.

### **Key Issues**

- 3.3 The savings tracker contained within section 4 of this report contains an assessment of the 2014/15 savings programme. This shows £11.1m of savings rated as red (defined as high risk or not achieved) with a further £8.9m of options rated at amber (concerns).
- 3.4 The ratings are a result of robust assessment of progress to date against the original proposed budget options and identification of in year slippage against targets. Red rated options include a number relating to Adult Social Services options, savings on the library budget not yet implemented, corporate commissioning and procurement savings still to be identified and the Future Council initiative where slippage to a January implementation date is forecast to deliver half the 2014/15 planned saving, however mitigation is in place and being developed as set out below.
- 3.5 A number of identified mitigating actions are in place to assist the Future Council programme savings delivery and reduce the risks to the budget. These include continuation of the spending freeze, vacancy management, the voluntary redundancy offer, reviewing growth allocations and identification and control of other underspending directorate budgets. Mitigating actions will also deliver £3m from within public health. These measures include capitalisation of eligible schemes which, reduce commitments on the revenue budget, efficiencies, rephasing and review of Public Health Outcomes Funding and use of public health funding against other eligible directorate commitments
- 3.6 The impact of the above measures combined with the projections for the overall budget position reduces the forecast yearly overspend to £3m. Projections will be updated monthly and further mitigating measures identified as the year progresses.

### **Directorate Updates**

- 3.7 Within the various directorates there have been the following developments:

**Chief Executive's:** No variances have been identified within the core budget area. A potential overspend of £152,000 is however currently forecast as a result of new in year commitments within asset management.

The expected variance relates to additional street lighting Carbon Reduction Commitment (CRC) allowances. CRC street lighting requirements were announced by government after Council had agreed the 2014/15 budget. Additional allowances for street lighting at an estimated cost of £152,000 will require purchasing. Mitigation has not yet been identified from within the Directorate budget to cover this increased cost, but proposed mitigation for dealing with this is set out below.

In mid May government announced the New Homes Bonus allocation: returned funding grant determination with amounts for the 2014/15 financial year. This includes an additional grant element of £242,253 for Wirral which was not included in the 2014/15 budget as no decision that this return funding would be paid to local authorities had been made. The allocation is a general grant and could be used to offset the above increased Carbon Reduction Commitment in 2014/15.

#### **Families and Well Being:**

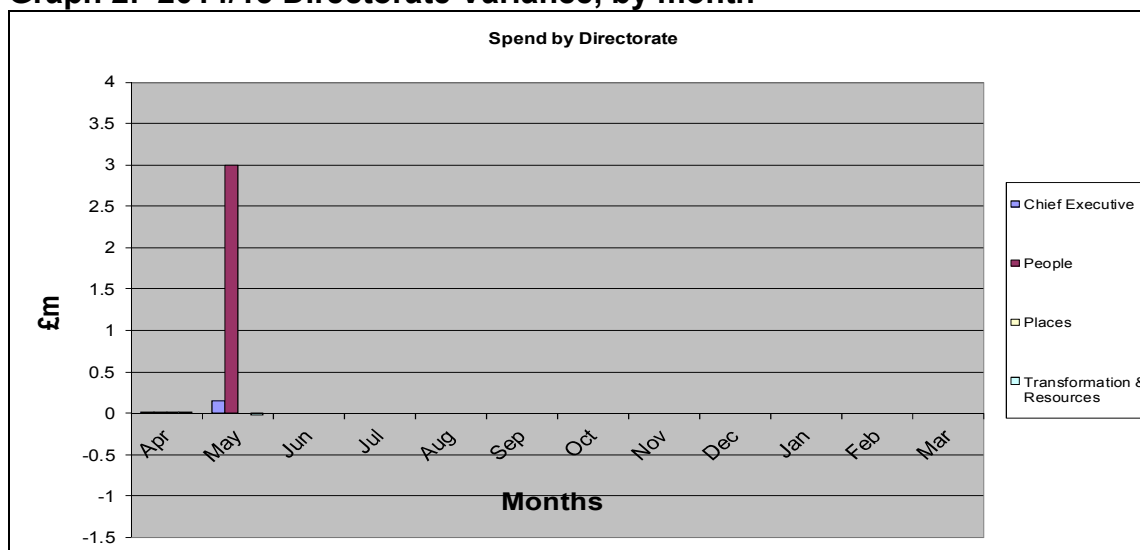
- Adults: Slippage against 2014/15 savings projects is £2.35m with further actions to be identified. The remaining variations cover a number of areas mainly within community care. Pressure within the Community Care budget is being addressed through management actions and savings projects. These areas have been highlighted by the DASS Transformation Board and are being reviewed with a view to identifying mitigating actions
- Childrens: No variances have been reported for childrens. Careful monitoring of savings progress will be required during the year.
- Schools, Safeguarding, Sport & Recreation: A minor variation of £11,000 is currently forecast for Sport and Recreation.

**Regeneration and Environment:** At this early stage of the financial year, there are no major budgetary issues to report within the Regeneration & Environment Directorate. The Directorate remains on course to meet its 2014-15 financial targets.

**Transformation & Resources:** An underspend of £21,000 is currently forecast for the directorate. The Library savings relating to changes agreed in 2013/14 for implementation in 2014/15 have not been implemented. These savings related to changes in opening hours and working arrangements and are being covered at the moment from vacant posts within the service.

**Corporate Wide Budgets:** A number of high value corporate wide savings options because of their size and complexity are currently classed as high risk. This includes savings from the Future Council initiative and Corporate Commissioning. These require close monitoring and will be further reported upon during the year.

**Graph 2: 2014/15 Directorate Variance, by month**



#### 4 IMPLEMENTATION OF SAVINGS

4.1 The delivery of the agreed savings is key to the Council’s financial health and is tracked at both Council and Directorate level. The assumption is that, where there is slippage, the Strategic Director will implement replacement savings.

**Table 4: Budget Implementation Plan 2014/15 whole Council (£000’s)**

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at May	To be Delivered
B - delivered	39	9,054	9,054	0
G – on track	33	7,249	1,317	5,932
A - concerns	25	8,887	552	8,335
R - high risk/ not achieved	7	11,069	368	10,701
P – replacements for Red	0	0	0	0
<b>Total at M2 May 14</b>	<b>104</b>	<b>36,259</b>	<b>11,291</b>	<b>24,968</b>

Note: For 2014/15 the red rating definition has been amended from that used in 2013/14. Red is now classed as high risk or not achieved (in 2013/14 it was defined as failed)

4.2 As referred to in paragraph 3.4 above a number of savings options are currently red rated. The 2014/15 red rating definition has been broadened from that used in 2013/14 to now include high risk rather than only failed options.

4.3 The **spending freeze** for non-essential spending has been extended into the 2014/15 financial year and will continue until further notice. The purpose being to reduce any projected overspend, which by Section 28 of the Local Government Act 2003, is the duty of the Council.

4.4 The 2014/15 Budget includes a number of budget saving options profiled to produce benefits towards the end of the financial year. Details will be provided throughout the year within the report regarding any slippage in savings

achievement and actions taken to bring savings on back on schedule, or to provide temporary compensatory funding where appropriate.

## 5 GROWTH

- 5.1 An allowance for the impact of demographic changes, inflation and other risks - that is outcomes that could be worse than assumed - was built into the budget 2014/15 as detailed at Annex 5. The assumptions which totalled £9.2m have been and are subject to ongoing review.
- 5.2 A review of the growth requests and assumptions made in February has taken place. This has identified approximately £0.9m of in year reductions which can be achieved. These are a result in receiving updated information on requirements and assessing the timing and commencement of commitments for new initiatives. The details of the adjustments are detailed in table 5 below

**Table 5: Suggested Growth Reductions**

	<b>2014/15</b>
Adults (Increased demand)	100
Ordinary Residence	200
Contract Inflation	85
Children's (Leasowe Millennium Centre)	50
Children's (Youth and Play)	76
Graduates	88
Selective Licensing Landlords	178
Economic Strategy Unit	100
<b>Total Reduction</b>	<b>877</b>

## 6 INCOME AND DEBT

- 6.1 Revenue and Income falls into the four broad areas shown below for reporting purposes:

**Table 6: Amount to be collected in 2014/15 £000's**

	<b>2014/15</b>	<b>2014/15</b>	
	<b>Collectable</b>	<b>Collected</b>	<b>%</b>
	<b>£000</b>	<b>£000</b>	
Council Tax	137,225	25,996	18.9%
Business Rates	71,328	12,867	18.0%
Fees and charges – Adults	10,415	11,242.	107.9%*
Fees and charges – all other services	7,800	8,674	111.2%*

\*A proportion of Fees income collected in 2014/15 will apply to debts raised pre April 2014, ie to debts in addition to those newly collectable in 2014/15 .

## COUNCIL TAX

- 6.2 The Council Tax collection after two months of the year is comparable with the equivalent 2013/14 collection rate. No significant changes to Council Tax arrangements were implemented for 2014/15. This is now the second year of Local Council Tax Support scheme.

- 6.3 Recovery from non Council Tax Support recipient debtors is continuing as normal. Action taken to recover from those of Working Age that previously received Council Tax Benefit is ongoing. Repayment plans offering weekly/fortnightly instalments were offered to those contacting the Council. Where possible attempts to collect by Attachment of Earnings and Benefits will be prioritised however inevitably in some cases this will not be possible and alternative methods including Bailiffs will need to be utilised.

## **BUSINESS RATES**

- 6.4 Following changes implemented recently by central government, businesses can now have the option to pay Business Rates over 12 monthly instalments. Previously payment options had been over 10 instalments. Income collection to the end of May was 18.0%. This was lower than the 19.53% collected at the equivalent period in 2013/14. The most significant factor in this is the take up of 12 monthly instalment option which as a result of the extended payment time, means that the collection rate will not catch up until March 2015.

## **DEBTORS**

- 6.5 Ongoing work has continued to improve collection and resolve outstanding debts and currently leaves a balance outstanding of £22,054,513 compared to last year which at the end of May 2013 was £26,461,856. Income receipts in April and May exceeded bills raised in the period and reflect a reduction in the net debt position.

## **7 RELEVANT RISKS**

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
- Tracking system of savings to ensure delivery;
  - Future Council Project Governance arrangements including the regular review of in year and future savings by Chief Officers
  - 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;

## **8 OTHER OPTIONS CONSIDERED**

- 8.1 Any option to improve the monitoring and budget accuracy will be considered.

## **9 CONSULTATION**

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

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

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

## **11 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS**

- 11.1 Cabinet 12 February 2014 agreed a 2014/15 General Fund balance risk calculation of a minimum of £17.3 million. The level of risk is forecast to reduce in future years with the General Fund balance requirement for 2015/16 calculated at £15.4 million. This will be reviewed during the year to reflect changing circumstances and any in year developments.

**Table 7: Summary of the projected General Fund balances**

Details	£m	£m
Balance 31 March 2015 when setting the Budget 2014/15		+17.3
Less: Potential overspend, at M2		-3.1
Add: Additional New Homes Bonus		+0.2
Projected balance 31 March 2015		+14.4

- 11.2 Earmarked Reserves excluding school balances total £66.1 million. These include reserves relating to the cost of Council remodelling, mitigation and specific project support and ongoing financial risks. Earmarked reserves will be reviewed during the year.

## **12 LEGAL IMPLICATIONS**

- 12.1 The entire report concerns the duty of the Council to avoid a budget shortfall. The Chief Finance Officer has 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.

## **13 EQUALITIES IMPLICATIONS**

- 13.1 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.

## **14 CARBON REDUCTION IMPLICATIONS**

- 14.1 There are no implications arising directly from this report.

## **15 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 15.1 There are no implications arising directly from this report.

## **16 RECOMMENDATIONS**

- 16.1 Cabinet is asked to note that at Month 2 (May 2014), the full year forecast projects a gross General Fund overspend of £3,137,000.
- 16.2 Cabinet is asked to note the increased commitment of £152,000 for Carbon Reduction Commitment allowances contained within the above figure



- 16.3 Cabinet is asked note the payment of New Homes Bonus grant of £242,253 which is a general grant received outside of directorate budgets.
- 16.4 Cabinet is asked to note the risks relating to non delivery of savings as detailed in paragraph 3.3 and requirement for mitigation and actions to be identified
- 16.5 Cabinet notes the mitigating actions being undertaken including capitalisation, reprofiling and use of public health budgets as per paragraph 3.5 and reductions to 2014/15 growth as detailed in paragraphs 5.2 and table 5 above. Further mitigating action will be developed as appropriate during the year.
- 16.6 Cabinet approve the application of the additional New Homes Bonus grant against the Carbon reduction commitment and overall overspend to reduce the net overspend to £2,894,747.

**17 REASONS FOR THE RECOMMENDATIONS**

- 17.1 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 2014/15.
- Annex 2 General Fund Revenue Budget for 2014/15 agreed by Council.
- Annex 3 RAGBY Full Details
- Annex 4 Mitigating Actions 2014/15
- Annex 5 Growth and Risk
- Annex 6 Income and Debt

**SUBJECT HISTORY**

Council Meeting	Date
Since September 2012, a monthly Revenue monitoring report has been submitted monthly to Cabinet. Budget Council	25 February 2014

**Annex 1 REVENUE MONITORING AND REPORTING TIMETABLE 2014/15**

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Reports Available For The Executive Strategy Group	Reports Available For Cabinet
			Monthly	Monthly
1	April	N/A	N/A	N/A
2	May	Jun 6	Jun 17	Jul 7
3	June	July 7	Aug 26	Sep 11
4	July	Aug 8	Aug 26	Sep 11
5	August	Sep 5	Sep 23	Oct 9
6	September	Oct 7	Oct 21	Nov 6
7	October	Nov 11	Dec 16	Jan 15
8	November	Dec 12	Jan 20	Feb 10
9	December	Jan 8	Jan 20	Feb 10
10	January	Feb 6	Feb 24	Mar 12
11	February	Mar 6	TBC	TBC
12	Outturn (Provisional)	TBC	TBC	TBC

## AGREED BY COUNCIL ON 25 FEBRUARY 2014

Directorate/Service Area	Original Budget	Variances	Revised Budget
	£000	£000	£000
<b>Expenditure</b>			
Chief Executives	10,035	-	10,035
Families and Well Being		-	
Children and Young People, Schools and Safeguarding	82,877	-	82,877
- Adult Social Services	74,667	-	74,667
- Sports and Recreation	8,502	-	8,502
Regeneration and Environment	95,190	-	95,190
Transformation and Resources	20,199	-	20,199
<b>Net Cost of Services</b>	<b>291,470</b>	-	<b>291,470</b>
Corporate Growth	1,016	-	1,016
Corporate Savings	-16,829	-	-16,829
<b>Budget Requirement</b>	<b>275,657</b>	-	<b>275,657</b>
<b>Income</b>			
Local Services Support Grant			
New Homes Bonus	1,768	-	1,768
Revenue Support Grant	87,492	-	87,492
Business Rates Baseline	32,036	-	32,036
Top Up	40,513	-	40,513
Council Tax Requirement	112,214	-	112,214
Council Tax Freeze Grant	1,334	-	1,334
Contribution from G Fund Balances	300	-	300
<b>Total Income</b>	<b>275,657</b>	-	<b>275,657</b>
<b>Statement of Balances</b>			
As at 1 April 2014	17,300	-	17,300
Contributions from Balances	(300)	-	(300)
<b>Forecast Balances 31 March 2015</b>	<b>17,000</b>	-	<b>17,000</b>

Note: This table will be updated for agreed variances during the year

## Annex 3 - MONITORING FULL DETAILS

### 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 Directorate identifying the service in the Council Estimates (Green Book))

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Chief Executive's	5	0	1	4	0	0
Adult Social Services	2	1	0	1	0	0
Children & Young People, & Schools	5	0	0	5	0	0
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	1	0	0
Regeneration & Environment	5	0	0	5	0	0
Transformation & Resources	7	0	1	5	1	0
Corporate Growth & Savings	2	0	0	2	0	0
<b>Total</b>	<b>28</b>	<b>1</b>	<b>2</b>	<b>24</b>	<b>1</b>	<b>0</b>

### Business Area Reds

	Chief Exec	People	Places	Trans & Res	Total
Red Overspend	0	1	0	0	1
Value £000s		3,727			3,727

### Business Area Yellows

	Chief Exec	People	Places	Trans & Res	Total
Yellow underspend	0	0	0	0	0
Value £000s					

#### Annex 4 - MITIGATING ACTIONS 2014/15

<b>HEALTH OUTCOMES FUND – CAPITALISATION</b>		<b>£</b>
Regeneration	Wirral Allotments Project	168,000
Regeneration	Start Active - Play Active - Stay Active	230,000
Regeneration	Wirral Way widening and safety improvements	130,317
Sport and Rec	Guinea Gap Centre - 2x 3G Football pitches	245,000
Sport and Rec	Fitness Suite facility at West Kirby Concourse	111,999
<b>Total transferred to Capital Programme and borrowing</b>		<b>885,316</b>
Less borrowing costs as previously revenue funded		-88,530
<b>TOTAL FROM OUTCOMES FUND ONE-OFF SAVING</b>		<b>796,786</b>

<b>HEALTH OUTCOMES FUND – EFFICIENCIES AND STOPPING</b>		<b>£</b>
Childrens	Connect for Wellbeing	34,374
Childrens	Children in Care (CiC) Council Project	26,067
Childrens	Substance Misuse	61,400
Childrens	Teenage Pregnancy	50,000
Regeneration	Healthy Homes	102,234
Regeneration	Forest Schools	35,991
Regeneration	Young Drivers	15,000
Regeneration	Proxy Purchasing Project	12,500
Regeneration	Pilot Scheme to encourage behaviour Change	16,735
Regeneration	FoCAL (Forest Community and Adult Learning)	75,438
Sport and Rec	Enhance and up skill Fitness Suite Staff	11,889
Sport and Rec	Youth Sports Nights	14,785
Sport and Rec	Positive Futures Programme Assistant	33,000
Sport and Rec	Training budget for 'Activators' courses	41,250
Sport and Rec	'Run in Wirral' and other outreach activities	22,500
Various	Other Schemes (below £10,000)	32,403
<b>TOTAL FROM OUTCOMES FUND – EFFICIENCIES &amp; STOPPING</b>		<b>585,566</b>

<b>PUBLIC HEALTH – REVENUE</b>		<b>£</b>
Allocation against existing eligible activity releasing resources		<b>1,600,000</b>

#### GROWTH REDUCTION / REPHASING OF APPROVED GROWTH 2014/15

Directorate	Description	Growth £	Action	£
Adults	Inc demand Older People	1,139,000	Reduction agreed	100,000
Adults	Ordinary Residence	500,000	Reduction agreed	200,000
Adults	Contract inflation	835,000	Per increases agreed	85,000
Childrens	Leasowe Millennium Centre	76,000	Absorb in asset mgt	76,000
Childrens	Youth and Play Services	50,000	Absorb in Service	50,000
T&R	Graduate	88,000	Defer recruitment	88,000
Regeneration	Selective Licensing	356,000	Half-year to implement	178,000
Regeneration	Economic Strat. Unit	200,000	Half-year to implement	100,000
<b>TOTAL FROM REDUCING / REPHRASING GROWTH 2014/15</b>				<b>877,000</b>

#### Annex 5 GROWTH AND RISK

<b>DIRECTORATE</b>	<b>OPTION TITLE</b>	<b>2014/15</b>
		<b>£000</b>
<b>FAMILIES</b>		<b>4,626</b>
Demographic Growth	Childrens - Special Guardianship and Adoption numbers	240
	Adults - Demand (Young Adults with Learning Disabilities)	926
	Adults - Increased demand Older People	1,139
	Adults - Ordinary Residence	500
Other Growth	Childrens - Staying Put Policy	0
	Assets - Leasowe Millennium Centre	76
	Childrens - Youth and Play Services - refocus provision	50
	Adults - Care Bill implications	0
Inflation	Childrens - Increasing Fostering & Adoption Allowances	200
	Childrens - PFI Affordability Gap	190
	Childrens - Teacher Retirement Costs	80
	Childrens - Transport Contracts	80
	Childrens - Energy and CRC Allowances price increases	310
	Adults - Contract inflation	835
<b>REGENERATION</b>		<b>1,784</b>
Demographic Growth	Temporary Accommodation Budget	50
Other Growth	Housing /Homeless Prevention (presently from Community Fund)	0
	Car Parking Operations Income	350
	Increase to green waste processing gate fee	65
	Economic Strategy Unit	200
	United Utilities Standing Water Charges	0
	New System for administering Resident Parking Schemes	40
	Parking Income shortfall due to end of income agreement	68
	Biffa Property Uplift	13

DIRECTORATE	OPTION TITLE	2014/15
		£000
	Selective Licensing of Landlords	356
	Homelessness Prevention Grant	221
	Prevention and support services (presently from Community Fund)	0
	Housing Standards and Renewal (presently from Community Fund)	0
Inflation	Highway Services Contract	48
	Contract for Parking Enforcement Services	10
	Urban Traffic Control Systems	20
	Biffa Contract Inflation	343
<b>TRANSFORMATION</b>		<b>2,773</b>
Other Growth	Graduate Trainee Programme	88
	Savings Profiling including Business Rates	900
	Council Tax Summonses	1,300
	Council Tax Support Scheme: Uprating in line with Housing Benefit	265
	IT Support	120
	Benefit Advice Services	100
	Elapsing of unpaid leave 3 year savings option	0

By Directorate	2014/15	By Type Of Growth	2014/15
	£000		£000
Families & Wellbeing	4,626	Demographic	2,855
Regeneration	1,784	Other Growth	4,212
Transformation	2,773	Inflation	2,116
<b>Total</b>	<b>9,183</b>	<b>Total Growth</b>	<b>9,183</b>

Since the budget was set a review of growth and assumptions has been undertaken. The following reductions which reflect changes in profile and phasing will assist mitigate pressures in the 2014/15 budget.

The following shows the collection progress for Council Tax, Business Rates, Accounts Receivable and Benefits

### Council Tax

The following statement compares the amount collected for **Council Tax** in the period 1 April 2014 to 31 May 2014 with the amount collected in the same period in 2012/13:

	<b>Actual 2014/15 £000s</b>	Actual 2013/14 £000s
Cash to Collect	<b>137,225</b>	135,419
Cash Collected	<b>25,966</b>	25,802
% Collected	<b>18.9%</b>	19.1%

Council Tax benefits have been abolished and replaced by Council Tax support and the numbers and awards as at 31 May 2014 are as follows:

Number of <b>Council Tax Support</b> recipients	<b>37,633</b>
Number of pensioners	<b>15,956</b>
Number of vulnerable (working age)	<b>7,701</b>
Number of working age	<b>13,926</b>

### Council Tax Discretionary Policy as at 31 May;

21 awards granted totalling £3,676,  
 6 cases adjourned,  
 179 refused reason, requesting payment of 22% after maximum Council Tax Support.  
 5 cases reason, moved to 100% CTS from 78%,  
 4 cases reason, others/misc.  
 17 cases outstanding.



## Business Rates

The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2014 to 31 May 2014 with the amount collected in the same period in 2013/14:

	<b>Actual 2014/15</b>	Actual 2013/14
	£	£
Cash to Collect	<b>71,328</b>	70,396
Cash Collected	<b>12,867</b>	13,749
% Collected	<b>18.0%*</b>	19.53%

\* 12 instalments introduced, adopted by at least 25% of accounts showing comparison.

## Accounts Receivable

The table below shows the directorates and amount of debt at each recovery stage:

Directorate Description	Less than 10 days	1st reminder	2nd reminder	3rd reminder	Total at 31.05.14
Chief Executive	<b>£54,930</b>	<b>£18,538</b>	<b>£8,514</b>	<b>£631,474</b>	<b>£713,456</b>
Neighbourhood	<b>£790</b>	<b>£2,310</b>	<b>£0</b>	<b>£30,413</b>	<b>£33,513</b>
Transformation & Resources	<b>£1,690,276</b>	<b>£2,889,231</b>	<b>£24,146</b>	<b>£927,266</b>	<b>£5,530,919</b>
Families & Wellbeing	<b>£4,330,898</b>	<b>£382,123</b>	<b>£368,360</b>	<b>£9,406,885</b>	<b>£14,488,266</b>
Regeneration & Environment	<b>£424,960</b>	<b>£283,036</b>	<b>£86,981</b>	<b>£818,376</b>	<b>£1,613,353</b>
Policy & Performance	<b>£158</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£158</b>
<b>Totals</b>	<b>£6,502,012</b>	<b>£3,575,238</b>	<b>£488,001</b>	<b>£11,814,414</b>	<b>£22,379,665</b>

The above figures are for invoices in respect of the period up to the end of May 2014. Payments as well as amendments such as write-offs and debt cancellations continue to be made after this date on all these accounts. There is a further deduction of £325,152.00 to be made for unallocated payments leaving a balance of **£22,054,513**

## BENEFITS

The following statement details the number of claimants in respect of benefit and the expenditure for Private Tenants and those in receipt of Council Tax Support up to 31 May 2014:

	<b>2014/15</b>	2013/14
Number of <b>Private Tenant</b> recipients	<b>31,876</b>	31,391
Total rent allowance expenditure	<b>£22,966,814</b>	

Number under the <b>Local Housing Allowance</b> Scheme ( <i>included in the above</i> )	<b>12,304</b> £9,829,429	11,965
Number of <b>Council Tax Support</b> recipients	<b>37,611</b> <b>38,617</b>	
Total Council Tax Support expenditure	<b>£27,830,288</b>	
Total expenditure on benefit to date	<b>£50,797,102</b>	

The following statement provides information concerning the breakdown according to client type as at 31 May 2014 and gives the early year numbers to show the shift in sector by benefit claimants during the year.

Claimants in the Private Rented Sector	<b>14,080</b>	14,531
Claimants in the Social Rented Sector	<b>17,228</b>	16,906
Owner Occupiers	<b>10,060</b>	10,118
Total claimants by age group		
- under 25 years old	<b>2,486</b>	2,504
- 25 – 60 years old	<b>21,535</b>	21,548
- over 60 years old	<b>17,347</b>	17,361

**There are 41,368** benefit recipients in Wirral as at 31 May 2014.

### **Under Occupancy regulations**

From 1 April 2013 property size criteria was introduced to working age tenants of social landlords (Registered Providers). Where a claimant is deemed to be occupying accommodation larger than they reasonably require Housing Benefit is restricted:-

- By 14% in 2,776 cases
- By 25% in 677 cases

The number of claims affected does fluctuate. The numbers above are a snapshot at 31<sup>st</sup> May 2014.

### **Housing Benefit Fraud and Enquiries – 1 April 2014 to 31 March 2014**

New Cases referred to Fraud team in period	1,385
Cases where fraud found and action taken	115
Cases investigated, no fraud found and recovery of overpayment may be sought	507
Cases where fraud found and action taken:	
Administration penalty / caution	10
Successful prosecution	47
Included in total prosecutions	

## Discretionary Housing Payments

The table below profiles the position of Discretionary Housing Payment (DHP) administration and associated spend. DHP is not a payment of Housing Benefit and is funded separately from the main scheme. Since the introduction of Welfare Reform and associated impacts, additional funding has been made available.

The Government contribution for 2014/15 is £995,795 with an overall limit of £2,489,487 which the Authority must not exceed.

Month	Claims Considered			DHP Awards in Payment	Current Awards	% spent (committed) of total fund	Annual Total Cont. remaining
	Total considered	Awarded	Refused				
April	259	203	56	248	£93,371	10%	£902,424
May	464	361	103	816	£181,503	35%	£814,292
Totals	723	564	159				

## Local Welfare Assistance

The Local Welfare Assistance Support Scheme (LWA), supported by a £1,345,925 Government Grant, gives assistance to those in immediate crisis or need through the provision of pre payment cards for food and fuel and direct provision of white goods. The number of applications continue to rise on a week by week basis.

LWA details for period from 07 April 2014 to 31 May 2014:

Number of awards granted for food	456	value	£21,311
Number of awards granted for fuel	613	value	£10,120
Number of awards granted for goods	1,497	value	£161,896
<b>Total number of awards made</b>	<b>2,566</b>	<b>value</b>	<b>£193,327</b>

This direct grant will be ended on 31 March 2015 and during 2014/15 the Authority will need to decide what, if any, provisions are made for 2015/16 in this area.

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CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>CAPITAL MONITORING 2014/15 MONTH 2 (MAY 2014)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

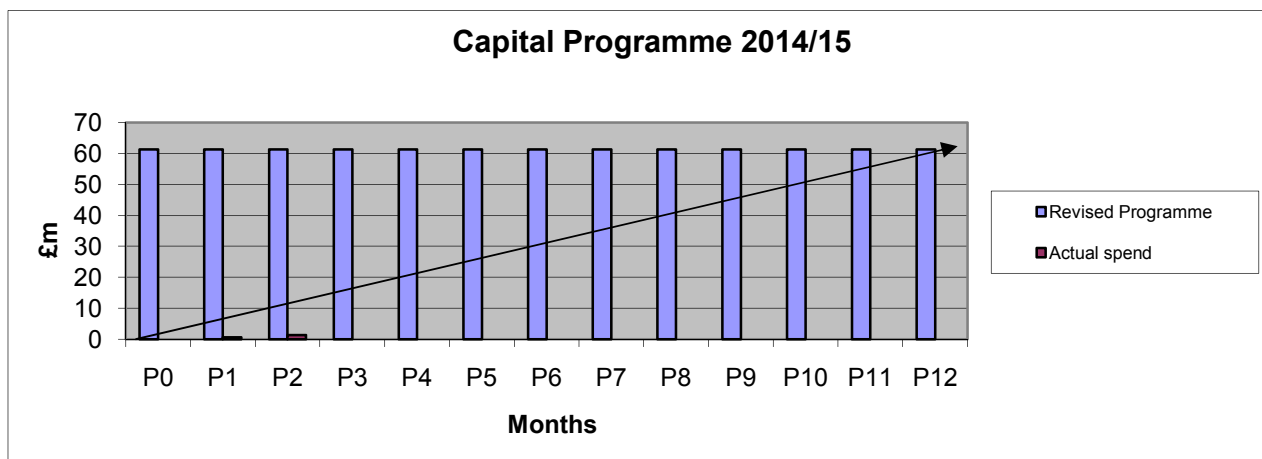
**1 EXECUTIVE SUMMARY**

1.1 This report sets out the capital position for 2014/15 at Month 2 (May 2014).

**2 OVERALL POSITION AT PERIOD 2 (MAY 2014)**

2.1 At this early stage of the year no variances have as yet been identified which impact upon the forecast year end outturn. The following tables provide information which outline the 2014/15 capital programme and the sources of financing.

**Chart 1: Capital Programme spend below line of best fit**



**3 ORIGINAL AND PROPOSED CAPITAL PROGRAMME FOR 2014/15**

3.1 The Programme for 2014/15 is subject to change. Period 2 reflects the Programme agreed by Cabinet on 12 February together with subsequent amendments. Broadly these reflect the re-profiling from 2013/14 as referred to in the Capital Outturn report, together with more up to date information regarding external financial support primarily latest grant notifications.

- 3.2 Given the level of slippage from 2013/14's programme, in total £35 million, the programme will be subject to a rigorous review by the Capital Working Group during July with the intention of determining a deliverable programme in 2014/15.
- 3.3 To aid the monitoring process greater use will be made of the Concerto system with each scheme. This will show how schemes in the Capital Programme are progressing. Appendix 1 will in future contain information about which stage in the gateway process schemes have reached. The 5 gates currently in use are:

Conception  
Approval  
Start Up  
Delivery  
Completion

**Table 1: Capital Programme 2014/15 at Period 2 (May) £000's**

	Capital strategy	Re-profiling	Other changes to be noted	Revised Capital Programme	Actual Expenditure May 2014
Universal & Infrastructure	5,983	1,113	0	7,096	110
Families & Wellbeing – CYP	13,879	3,376	-2,877	14,378	502
Families & Wellbeing – Adults	3,611	1,173	0	4,784	155
Families & Wellbeing – Sport & Recreation	1,000	1,000	357	2,357	0
Regeneration & Environment – Environment & Regulation	7,850	1,715	1,203	10,768	73
Regeneration & Environment – Housing & Community Safety	5,972	2,682	0	8,654	297
Regeneration & Environment – Regeneration	5,479	474	3,400	9,353	123
Public Health	401	357	-758	0	0
Transformation & Resources	4,000	0	0	4,000	81
<b>Total expenditure</b>	<b>48,175</b>	<b>11,890</b>	<b>1,325</b>	<b>61,390</b>	<b>1,341</b>

### Universal and Infrastructure Services

- 3.4 Tenders for Wallasey Town Hall are due back in June. Estimated at £0.275 million this work will enable alterations to ground floor areas.

Phase 1, & 2 of Electrical Infrastructure and refurbishments works at Cheshire Lines are complete phase 3 is due to start 7th July for a 12 week contract. Phase 4 will commence October with all work complete by March 2015 at an estimated cost of £0.250 million. This will enable Birkenhead Municipal Building to be demolished and staff relocated to Cheshire Lines.

Works to Birkenhead Town Hall are complete and Acre Lane staff have started to relocate with all staff relocated and Acre Lane vacant by Sept.

Tender preparation work is underway for full refurbishment of Wallasey Town Hall North Annexe.

Cleveland Street Transport Depot, enabling works are underway refurbishing existing buildings to allow a phased move from, various Parks Depots that will reduce revenue implications and/or produce a Capital receipt.

Demolition work is due to commence end of July in preparation for construction of a New Salt Barn facility at the Cleveland Street site.

### **CYP Capital Allocations for 2014/15**

3.5 DfE allocations for 2014/15 were announced on the 24th of January 2014. Details of the proposed CYP Capital programme for 2014/15 are attached as Annex 2 of this report. The programme includes a wide range of projects and these will promote the Council's corporate priorities. In drawing up the Capital Programme for 2014/15, 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. The Capital Programme is made up of allocations from the DfE for Capital Maintenance, Basic Need and Universal Infant Free School Meal allocations plus Council Capital for specific high value projects and general pupil place planning. 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 and the Council's allocation for school place planning should be considered for the sufficiency of places; these are included within both the feasibility/design development section and the main schemes.

### 3.6 Current Programme

Good progress is being made by the in-house Asset Management and Design Teams on major projects included in the 2013/14 capital programme, at June 2014 there are 2 large contracts (over £500k) on site in addition to a range of smaller value projects and 15 large projects where detailed design work is taking place; these are at various stages of the design/conception phases.

### 3.7 Universal Infant Free School Meals

Following announcements in late 2013 to introduce a new entitlement for all pupils in years 1 and 2 details were received by Local Authorities in January giving more information of the initiative.

In Wirral this initiative will result in an expected pupil meal increase of 7,000 meals per day. Whilst there are a number of kitchens requiring extensive building work to enable capacity increase, many kitchens require new heavy equipment which need adequate ventilation systems, electrical supplies etc. Works will continue over the summer holiday to ensure kitchen production is ready for September. Due to the rolling-programme of investment in kitchens over the past few years Wirral was in a stronger position than many LA's to meet the new initiative. However, continuation of capital investment will be required to meet the increased meal numbers, to ensure that safety legislation is met and to replace old kitchen equipment.

### 3.8 Priority School Building Programme

Wirral was successful in its application to re-build 3 new schools under the PSBP (1), the first scheme to rebuild Foxfield Special School is on-site and construction is progressing quickly. The anticipated date for completion is early 2015 when the new school will move from its current site in Moreton to Woodchurch. Ridgeway High School and Bedford Drive School are also included in PSBP (1) but will follow a Private Finance Initiative route, the projects are progressing and the appointment of a preferred contractor will be announced shortly.

PSBP (2) has just been announced by the DfE and it is intended that further bids will be submitted for inclusion in this next round of this significant construction programme. The final submission date for bids is 21 July 2014 and all schools will be assessed against the criteria set by the Education Funding Agency and Condition data held by Asset Management.

### 3.9 School Basic Need and Sufficiency Requirements

Wirral received amounts of £512,000 in both 2013/14 and 2014/15 to meet the need for additional pupil places. Whilst the impact of pupil number growth has not had the impact as in many other Local Authorities in the country there have been pockets of higher pupil numbers in a few schools and as a result additional space has been provided.

The Capital Programme 2014/15 list attached identifies Fender Primary school for Basic Need allocation to meet the increase in pupils in the Woodchurch area. However, Council Capital contributions of £750,000 in 2014/15 and the indicative allocations for Basic Need in 2015/16 and 2016/17 which are in the region of £3m have not been allocated. Further discussions are required with curriculum leaders, pupil admissions, schools forum etc to agree the programme for increasing pupil



numbers in selected schools. Further reports to Cabinet will therefore be forthcoming.

### **Families and Wellbeing – Adults**

- 3.10 The Integrated I.T. scheme (Liquidlogic) is progressing with over 50% of the scheme now completed.

The Learning Disabilities Extra Care Housing Scheme procurement was completed in early 2014 and a delivery plan agreed.

### **Environment and Regulation**

- 3.11 The two major programmes relate to Highway Maintenance for which the annual programme has been drawn up with schemes now progressing and no significant issues are anticipated. As for the Bridges programme, most schemes will be completed as anticipated with two possible exceptions. The Dell underpass is subject to possible adjudication and work on National Rail bridges is subject to agreement of that organisation. There is therefore the possibility that these schemes may slip to 2015/16, in total £0.284 million.

### **Housing & Community Safety**

- 3.12 Disabled Facilities Grants continue to be approved and the spend committed but the incurring of this spend is determined by the grant applicants which means that there will invariably be works approved but will not be completed until the following year.
- 3.13 The framework for the use of the £1.5m allocated to stimulate affordable housing building in Wirral was approved by this Committee in April.

### **Regeneration**

- 3.14 The Council's Regional Growth Fund grant supports investment into the offshore renewable energy sector. With applications being approved the companies are only paid upon defrayment.

### **Transformation & Resources**

- 3.15 The Council has embarked upon a substantial programme of investment into Information Technology which includes the Oracle System and is a key element in supporting the delivery of the Future Council project. The acquisition of equipment is in progress and should all be in place by the end of the financial year.

**Table 2: Significant variations to the 2014/15 programme £000's**

	<b>Changes to be noted</b>	<b>Explanation (A) Policy (B) Items previously deferred (C) Funding (D) Re-profiling (E) Reduced requirement</b>
Families & Wellbeing – CYP	-2,187	Condition/Modernisation – Allocation has been confirmed. (C).
	-690	6 schemes from the above allocation will not commence until 2015/16 (D).
Families & Wellbeing - Sport & Recreation	357	Transfer of responsibility for a number of Public Health funded schemes (A).
Regeneration – Environment & Regulation	802	Allocation of revised grant notifications (C).
	401	Transfer of responsibility for a number of Public Health funded schemes (A).
Regeneration – Housing & Community Safety	3,000	Estimate of potential Regional Growth funding from Local Enterprise Partnership (C)
Public Health	-758	Transfer of responsibility to Regeneration and Sport and Recreation for a number schemes (A)
<b>Total Significant Variations</b>	<b>925</b>	

#### 4 FINANCING OF THE CAPITAL PROGRAMME

4.1 Table 3 summarises the financing sources for the original and latest programmes.

**Table 3: Revised Capital Programme Financing 2014/15 £000's**

<b>Capital Programme Financing</b>	<b>Capital Strategy</b>	<b>Revised 2014/15 Programme</b>
Unsupported Borrowing	20,717	19,972
Capital Receipts	3,000	10,900
Revenue and Reserves	290	694
Grants	24,168	29,824
<b>Total Financing</b>	<b>48,175</b>	<b>61,390</b>

- 4.2 A number of schemes with a value of £0.9 million were originally to be funded from Public Health grant. These will now be funded from borrowing at a cost of £81,000 p.a. As a result the grant can now be allocated to revenue with an overall saving of £0.8 million.

## 5 PROJECTED LONGER TERM CAPITAL PROGRAMME

- 5.1 Funding for the forecast 2014/15 to 2016/17 capital programme is shown in Table 4 and reflects the 2014/17 capital programmes agreed by Budget Council and subsequent amendments.

**Table 4: Capital Programme Financing 2014/15 to 2016/17 £000's**

<b>Capital Programme Financing</b>	<b>2014/15 Revised Estimate</b>	<b>2015/16 Original Estimate</b>	<b>2016/17 Original Estimate</b>	<b>Total Programme</b>
Unsupported Borrowing	20,857	6,824	4,376	32,057
Capital Receipts	10,900	3,000	0	13,900
Reserve Reserves	694	0	0	694
Grant s	28,939	7,644	6,644	43,227
<b>Total Financing</b>	<b>61,390</b>	<b>17,468</b>	<b>11,020</b>	<b>89,878</b>

## 6 SUPPORTED AND UNSUPPORTED BORROWING AND THE REVENUE CONSEQUENCES OF UNSUPPORTED BORROWING

- 6.1 Based on the current cost of borrowing, £1 million of Prudential Borrowing would result in additional revenue financing costs of £90,000 per annum in the following year. As part of the Capital Strategy 2014/15 to 2016/17 the Council has included an element of prudential borrowing. At Period 2 there is a sum of £39.1 million of new unsupported borrowing included over the next three years, which will result in approximately £3.4 million of additional revenue costs detailed at Table 5, if there is no change in strategy.

**Table 5: Unsupported Borrowing Forecasts & Revenue costs £000's**

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
New Unsupported borrowing	20,857	6,824	4,376	-
Cumulative		27,681	32,057	32,057
Cumulative Annual Revenue repayment costs		1,877	2,491	2,885

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 6: Analysis of Unsupported Borrowing**

	2014/15	2015/16	2016/17	Total
Spend to save	6,684	6,050	750	13,484
Other borrowing	21,188	774	3,626	25,588

## 7 CAPITAL RECEIPTS POSITION

- 7.1 The Council has worked with the Local Government Association (LGA) to review the Council's Assets - a report was presented to Cabinet on November 7. This highlighted the Council could realise £20 million from asset disposals including Acre lane, former Rock Ferry High School and Manor Drive, Upton. The latest projections from Lambert, Smith, Hampton suggest a figure closer to £22 million, however the market is subject to fluctuations. It is now expected that the disposals for Acre Lane and manor Drive will occur in 2015-16 and that for Rock Ferry in 2016-17. Table 7 reflects these latest projections.
- 7.2 The Capital Programme is reliant on the Council generating capital receipts to finance future schemes. The Capital Receipts Reserve at 1 April 2014 contained £8.8 million of receipts. The table assumes the proposed spend, set out at 4.1 is agreed. At this stage the receipts and funding assumptions are only estimates

**Table 7 Projected capital receipts position £000's**

	2014/15	2015/16	2016/17
Capital Receipts Reserve	8,800	400	12,900
In - Receipts Assumption	2,500	15,500	8,000
Out - Funding assumption	-10,900	-3,000	TBA
Closing Balance	400	12,900	20,900

## 8 RELEVANT RISKS

- 8.1 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.
- 8.2 The generation of capital receipts could well be influenced by factors outside the authority's control e.g. ecological issues.
- 8.3 Capacity shortfalls are being addressed through the development of closer working with the Local Government Association (LGA) and Local Partnerships.

## 9 OTHER OPTIONS CONSIDERED

- 9.1 No other options have been considered.

## **10 CONSULTATION**

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

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

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

## **12 RESOURCE IMPLICATIONS**

12.1 The whole report is about significant resource implications. A previous Treasury Management report to Cabinet provides details of an estimated underspend of £0.8 million in respect of borrowing.

## **13 LEGAL IMPLICATIONS**

13.1 There are no legal implications arising directly from this report.

## **14 EQUALITIES IMPLICATIONS**

14.1 An Equality impact assessment is not attached as there are none.

## **15 CARBON REDUCTION IMPLICATIONS**

15.1 There are no carbon reduction implications arising directly from this monitoring report.

## **16 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

16.1 There are no planning and community safety implications arising directly from this monitoring report.

## **17 RECOMMENDATIONS**

17.1 That Cabinet is asked to note:

- a) the spend to date at Month 2 of £1.3 million, with 16.7% of the financial year having elapsed;

17.2 That Cabinet is asked to agree:

- a) the revised Capital Programme of £61.3 million (Table 1 at 3.1);

## **18 REASONS FOR RECOMMENDATIONS**

18.1 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	25 February 2014

**ANNEXES**

Annex 1 Revised Capital programme and funding source  
Annex 2 Families and Wellbeing – CYP Capital Allocations

## Annex 1 Revised Capital Programme

	Revised Programme £000	Actual £000	Council Resources	Grants	Revenue/ Reserves	Total
<b>Universal and Infrastructure Services</b>						
Building refurbishment to increase occupancy	1,172	27	1,172			1,172
Wallasey Town Hall	68	15	68			68
Strategic Asset Review	96	38	96			96
Fund to assist land assembly and re-sale	936		936			936
Cleveland St Transport Depot	1,000	30	1,000			1,000
Park depot rationalisation	1,310		1,310			1,310
Energy efficiency Initiatives	500		500			500
Energy schemes	497		497			497
Structural/Roofing works - West Kirby Concourse	344		344			344
Demolish Stanley Special	275		275			275
Demolish Bebington Town Hall and Liscard Municipal	378		378			378
Demolish former Rock Ferry High	400		400			400
Demolish Foxfield	120		120			120
	<b>7,096</b>	<b>110</b>	<b>7,096</b>	<b>0</b>	<b>0</b>	<b>7,096</b>
<b>Families and Wellbeing - CYP</b>						
Elleray Park Special School redevelopment	500		500			500
School remodelling and additional classrooms	1,336		800	536		1,336
Children's centres	206			206		206
Aiming Higher for Disabled Children	134	-9		134		134
Youth Capital	149		98	51		149
Birkenhead High Girls Academy	472			403	69	472
Vehicle Procurement	140				140	140
Condition/Modernisation	3,590	505		3590		3,590
Basic Need	100			100		100
Family Support Scheme	155		155			155
Formula Capital Grant	2,881			2881		2,881
Private Finance Initiative	150				150	150
Wirral Youth Zone	2,085	28	2085			2,085
Funding for 2 year olds	130	-22		130		130
Foxfield contribution to priority school	1,000		500	500		1,000
Somerville primary school mobile replacement	1,350		600	750		1,350
	<b>14,378</b>	<b>502</b>	<b>4,738</b>	<b>9,281</b>	<b>359</b>	<b>14,378</b>
<b>Families and Wellbeing - DASS</b>						
Citizen and Provider Portal for Social and Health Services	617			617		617
Transformation of Day Service	1,250			1250		1,250
Integrated IT	1,873	155	1000	873		1,873
Extra Care Housing	500			500		500
LD extra care housing	544		544			544
	<b>4,784</b>	<b>155</b>	<b>1,544</b>	<b>3,240</b>	<b>0</b>	<b>4,784</b>

	Revised Programme £000	Actual £000	Council Resources	Grants	Revenue/ Reserves	Total
<b>Families and Wellbeing - Sports &amp; Recreation</b>						
West Kirby/Guinea Gap/Europa Pools	2,000		2,000			2,000
Guinea Gap 3G football pitches	245		245			245
West Kirby Concourse fitness suite	112		112			112
	<b>2,357</b>	<b>0</b>	<b>2,357</b>	<b>0</b>	<b>0</b>	<b>2,357</b>
<b>Regeneration and Environment - Environment &amp; Regulation</b>						
Road Safety	755	84	117	638		755
Congestion	358	-60	3	355		358
Active Travel	935	-29	505	430		935
Transportation	321	11	91	230		321
Local Sustainable Transport Fund	486	-89		486		486
Bridges	1,586	80	736	850		1,586
Highways Maintenance	3,069	-23	777	2,292		3,069
Street Lighting	288	39	88	200		288
Coast Protection	224	-23	201	23		224
Asset Management	84	-71		84		84
Parks Plant and Equipment	728	100	728			728
Parks vehicles replacement	988	26	988			988
Arrowe Park Changing pavilion	144	28	144			144
Landican Cemetery	71		71			71
Birkenhead Park Restoration Fees	97		97			97
Hoylake Golf Course	30		30			30
Park Outdoor Gyms	2			2		2
Reeds Lane Play Area	60			60		60
Royden Park	14			14		14
Allotments	168		168			168
Start Active, Play Active, Stay active	230		230			230
Wirral Way - widening and safety improvements	130		130			130
	<b>10,768</b>	<b>73</b>	<b>5,104</b>	<b>5,664</b>	<b>0</b>	<b>10,768</b>
<b>Regeneration and Environment - Housing &amp; Community Safety</b>						
Aids, Adaptations and Disabled Facility Grants	3,503	189	1,873	1,630		3,503
Clearance Approved Cabinet	1,521	11	705	741	75	1,521
Home Improvement Approved Cabinet	707	65	506	201		707
Improvement for sale grants	200				200	200
Empty Property Interventions	230	13	170		60	230
Housing Renewal	698		478	220		698
New House Building Programme	1,500		1,500			1,500
Cosy Homes Heating	30	19	30			30
The Priory	265			265		265
	<b>8,654</b>	<b>297</b>	<b>5,262</b>	<b>3,057</b>	<b>335</b>	<b>8,654</b>



	<b>Revised Programme £000</b>	<b>Actual £000</b>	<b>Council Resources</b>	<b>Grants</b>	<b>Revenue/ Reserves</b>	<b>Total</b>
<b>Regeneration and Environment - Regeneration</b>						
Business Investment Grants	508		508			508
Other Regional Growth Fund Schemes	4,697	123		4,697		4,697
LEP Regional Growth Fund Schemes - Targetted Assistance	3,000			3,000		3,000
New Brighton	1,111		1,111			1,111
Floral Pavilion Stage & Orchestra Pit	37		37			37
	<b>9,353</b>	<b>123</b>	<b>1,656</b>	<b>7,697</b>	<b>0</b>	<b>9,353</b>
<b>Transformation &amp; Resources</b>						
I.T Development	4,000	81	4,000			4,000
West Kirby and Heswall OSSs	0					0
	<b>4,000</b>	<b>81</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>
	<b>61,390</b>	<b>1,341</b>	<b>31,757</b>	<b>28,939</b>	<b>694</b>	<b>61,390</b>

## Annex 2 Families and Wellbeing – CYP Capital Allocations

**CAPITAL MAINTENANCE ALLOCATION £3,263,000**  
**BASIC NEED ALLOCATION £512,464**

<b>NON SPECIFIC SCHOOL LOCATIONS</b>	
School Access/DDA	£250,000
Boiler Renewal Programme	£250,000
Kitchen Ventilation Programme	£250,000
<b>Sub-Total</b>	<b>£750,000</b>

<b>FEASIBILITY &amp; DESIGN DEVELOPMENT</b>	
Church Drive Primary - Capacity	£10,000
Town Lane Primary - Capacity	£10,000
Higher Bebington Primary - Capacity	£10,000
Hayfield Special School - Suitability	£20,000
Meadowside Special School – Pool area re-modeling	£20,000
<b>Sub-Total</b>	<b>£70,000</b>

<b>LARGER SCHEMES</b>	
Castleway Primary – internal classroom re-modeling and upgrade of fire detection	130,000
Devonshire Park – kitchen & dining re-modeling	200,000
Elleray Park - heating	250,000
Great Meols Primary – Sports Barn	130,000
Mosslands – structural/roof refurbishment	250,000
Riverside Primary – internal classroom refurbishment	150,000
Sandbrook primary – heating system conversion & internal refurbishment	150,000
St Georges Primary – toilets and access extension	130,000
Well Lane Primary – toilet & classroom re-design	150,000
<b>Sub-Total</b>	<b>1,540,000</b>

<b>MEDIUM / LOWER VALUE SCHEMES</b>	
Barnston Primary – pupil toilet refurbishment	40,000
Bidston Avenue Primary – flat roof refurbishment	12,000
Bidston Village CE Primary – Flat roof refurbishment	25,000
Black Horse Hill Juniors – Front entrance/security/office remodeling	50,000
Brookdale Primary – Structural remedial works	5,000
Cathcart St Primary – roof/canopy refurbishment	10,000
Ganneys Meadow Early Years – pupil toilet refurbishment	20,000
Greasby Infants – flat roof renewal	70,000
Greasby Juniors - guttering	12,000
Higher Bebington Junior – front playground resurface and rear playing field boundary	90,000
Hillside Primary – boundary wall structural works	10,000
Kingsway Primary – fire alarm/smoke detector system	40,000
Lingham Primary – main entrance & internal re-modelling	100,000
Liscard Primary – school house safety and refurbishment	40,000
Mersey Park Primary – infant classroom re-modelling	60,000
Mount Primary – contribution to hall extension	10,000
Overchurch Infants & Juniors – boundary fencing	10,000
Portland Primary – fire alarm/smoke detector system	40,000
St Bridgets CE (VC) – flat roof renewal & boundary wall rebuild	40,000
St Georges (upper site) media room roof	50,000
Well Lane Primary – fire alarm/smoke detector	30,000
Wirral Hospital School – window installation	30,000
<b>Sub-Total</b>	<b>794,000</b>
<b>BASIC NEED ALLOCATION:</b>	
Fender Primary – Capacity additional classrooms & internal remodelling	600,000
<b>Sub-Total</b>	<b>600,000</b>
<b>ALL TOTALS</b>	<b>3,754,000</b>
<b>UNALLOCATED</b>	<b>21,464</b>

<b>OTHER CAPITAL</b>	
<b>COUNCIL CAPITAL ALLOCATIONS</b>	
Family Support	100,000
Elleray Park – Suitability	500,000
Foxfield – Demolition	120,000
Foxfield – Contribution to PSBP	500,000
School Remodelling and Additional Classrooms	750,000
PFI	55,000
Somerville – Mobile Replacement	600,000
<b>OTHER DfE ALLOCATIONS</b>	
Universal Infant Free School Meals	623,802 (Community) 241,048 (Aided)
Devolved Formula Capital	649,752 (Community) 220,522 (Aided)
LCVAP – Aided Schools Capital Maintenance	1,067.154

- *The working Programme includes previously approved schemes allocated in previous years*
- *All new starts will consider the use of DFC as a contribution to the scheme*

## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>OUT-TURN 2013/14</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 2013/14 and concludes the reporting to Cabinet for the 2013/14 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 Council Tax, Business Rates and Sundry Debts). At the time of preparing the report, this remains as work-in-progress and any updates will be advised before the meeting

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 Throughout the financial year Cabinet have received updates in respect of Revenue (including income and debt collection) and Capital Monitoring with these reports having been submitted monthly.

2.2 The last monitoring reports were for Month 10 and were considered by Cabinet on 13 March 2014. Since the end of March work has been on-going in order to conclude 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.

2.3 In respect of income collection Cabinet has received a number of specific reports relating to the collection of sundry debt. As highlighted last year this has included the writing-off of debt, primarily within the area of Adult Social Services which has been reported throughout the year rather than purely a year-end report.

2.4 The detail contained within the Appendices informs part of the Annual Statement of Accounts for 2013/14. The Statement has to be issued by 30 June 2014. It is then subject to review by the appointed External Auditors (Grant Thornton UK LLP) and has to be published by 30 September 2014.

### **3.0 RELEVANT RISKS**

- 3.1 There are none associated with the summary of the financial position for 2013/14. The position has been monitored throughout the year and has been the subject of monthly reports to Cabinet.
- 3.2 In respect of the collection of income this has been the subject of reports to Cabinet and the inclusion of items which are irrecoverable overstates the potential income which could be collected by the Council.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 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.

### **5.0 CONSULTATION**

- 5.1 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.

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

- 6.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

### **7.0 RESOURCE IMPLICATIONS**

- 7.1 The financial implications are detailed within the Appendices.
- 7.2 There are no staffing, IT or asset implications arising directly from this report.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 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.

### **9.0 EQUALITIES IMPLICATIONS**

- 9.1 There are no implications arising directly from this report being a report on the overall financial affairs for the financial year just completed.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 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.

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

11.1 There are no implications arising directly from this report.

## **12.0 RECOMMENDATIONS**

### **12.1 Revenue**

- a) The Revenue Out-turn for 2013/14, which shows an underspend of £5 million which is more favourable than the £1 million projected at Month 10 be noted.
- b) The transfer of the underspend to the Re-Modelling Reserve be agreed.
- c) The Reserves as detailed in the Annex be agreed.

### **12.2 Capital**

- a) The re-profiling of £10.9 million from 2013/14 to 2014/15 be noted.
- b) The financing of the Programme for 2013/14 be noted.
- c) The Programme for 2014/15 be rigorously reviewed to ensure that it is realistic and deliverable in order to minimise the ongoing need for the re-profiling of the agreed Programme.

### **12.3 Collection Summary**

The report be noted including:-

- a) The Council Tax in-year collection rate being 95.4% and 0.3% above the projected target.
- b) The Business Rates collection rate increased from 95.3% to 96.9% in 2013/14.
- c) The Sundry Debtors arrears at 31 March 2014 showed a reduction of £6.5 million on the position at 31 March 2013.

## **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 2013/14.  
Appendix 2 Capital Out-turn 2013/14.  
Appendix 3 Collection Summary 2013/14.

## **REFERENCE MATERIAL**

CIPFA Code Of Practice On Local Authority Accounting In The UK 2013/14.  
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 – Out-turn 2012/13	13 June 2013
Cabinet – Budget 2013/14	18 February 2013
Council – Budget 2013/14	5 March 2013
Cabinet – Budget 2014/17	12 February 2014
Council – Budget 2014/17	25 February 2014
Cabinet – Revenue Monitoring 2013/14	Monthly reports
Cabinet – Capital Monitoring 2013/14	



## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>REVENUE OUT-TURN 2013/14</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 2013/14 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 BACKGROUND AND KEY ISSUES

##### MONITORING 2013/14

- 2.1 Throughout the financial year Cabinet have received updates in respect of Revenue Monitoring with these reports having been submitted monthly. After the significant changes the Council went through during 2012/13, the 2013/14 year has seen an increasingly favourable position being reported.
- 2.2 To increase available funds the spending freeze process agreed on 6 September 2012 was retained throughout the financial year whilst reviews were undertaken of reserves to release sums no longer required for their original purpose.
- 2.3 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.
- 2.4 The last monitoring report, for Month 10, considered by Cabinet on 13 March 2014, projected a gross General Fund overspend of £1 million. Of this sum Cabinet had previously agreed to earmark £0.5 million against Future Council restructuring costs and £0.25 million to replenish balances used following December's exceptional weather events. Since then work has continued in order to complete 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.

- 2.5 The Budget for 2013/14 was agreed by Council on 5 March 2013 with any increase in the Budget agreed by full Council. Changes to the Budget since it was set 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; any technical adjustments.

**Table 1: 2013/14 Original & Revised Net Budget by Department (£000)**

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 10	Revised Net Budget
Chief Executive	8,240	-4,816	166	3,590
People - Adult Social Services	82,951	-190	308	83,069
People – Children & YP, & Schools	91,738	-6,776	-166	84,796
People – Asset Mgmt & Transport	-	5,534	-16	5,518
People – Safeguarding	685	1,396	-29	2,052
People – Sports and Recreation	8,904	-42	-83	8,779
Places - Environment & Regulation	79,651	39	-202	79,488
Places – Housing & Comm Safety	15,342	-551	-82	14,709
Places – Regeneration	5,134	-2,005	-81	3,048
Places - Directorate Support	-	200	-60	140
Places - Invest Strat & Bus Sup	-	1,936	-10	1,926
Transformation & Resources	12,424	5,275	-420	17,279
Corporate Growth & Savings	-3,252	-	675	-2,577
<b>Net Cost of Services</b>	<b>301,817</b>	<b>0</b>	<b>0</b>	<b>301,817</b>

- 2.6 Comparing the Out-turn to month 10 and the revised budget:-

**Table 2: 2013/14 Projected / Actual Variations by Department (£000)**

Directorates	Revised Budget	Forecast Outturn	Actual Outturn	(Under) Over Month 10	(Under) Over Actual
Chief Executive	3,590	3,519	3,490	(71)	(100)
People - Adult Social Services	83,069	82,069	82,103	(1,000)	(966)
People – Children & Schools	84,796	83,096	82,400	(1,700)	(2,396)
People – Asset Mgt & Transport	5,518	5,518	5,392	0	(126)
People – Safeguarding	2,052	2,167	2,104	115	52
People – Sports and Recreation	8,779	8,559	8,494	(220)	(285)
Places – Env & Regulation	79,488	79,118	77,694	(370)	(1,794)
Places – Housing & Com Safety	14,709	14,709	12,309	0	(2,400)
Places – Regeneration	3,048	3,048	3,013	0	(35)
Places - Directorate Support	140	140	-52	0	(192)
Places - Invest Strat & Bus Sup	1,926	1,926	1,651	0	(275)
Transformation & Resources	17,279	16,859	16,540	(420)	(739)
Corporate Growth & Savings	-2,577	-2,577	-1,717	0	860
<b>TOTAL</b>	<b>301,817</b>	<b>298,151</b>	<b>293,421</b>	<b>(3,666)</b>	<b>(8,396)</b>
Less : Adults/Children to Reserve	0	2,700	3,362	2,700	3,362
<b>NET UNDERSPEND</b>	<b>301,817</b>	<b>300,851</b>	<b>296,783</b>	<b>(966)</b>	<b>(5,034)</b>

2.7 The main variations between the Budget and the Out-turn are shown in the table below. This includes the variations with Adults and Children's Services.

**Table 3 : Analysis of the Departmental Variations**

Directorate	Description	Over £m	Under £m
Chief Executives	Employees due to vacancies in Performance and Policy Teams		0.1
People- Adult Social Services	Community Care Services	2.6	
	Additional Income and funding		3.3
People- Children	Surestart & Childrens Centres		0.8
	Connexions Service		0.4
	Universal Services		0.4
	Targeted Services reduction in commissioned services		0.4
Sports and Recreation	Additional net income		0.3
Regeneration and Environment	Supporting People Programme (early delivery of 2014/15 savings)		2.0
	Parks and Countryside reductions in operational costs		1.0
	Increased income in various areas		0.7
	Investment Strategy		0.5
Transformation and Resources	Treasury Management including Capital Financing		2.0
	Employees due to vacancies primarily within Libraries / Business Processes (part of 2014/15 savings)		0.9
	Summons Costs Charges	1.6	
Corporate Growth and Savings	Transforming Business Support and Agency Savings covered in Directorate Outturns	1.3	
	Unutilised Slippage funding		0.4

2.8 The Budget 2013/14 included funding to correct previously understated budgets which are being supported pending the delivery of savings 2013/16 i.e. a loan arrangement. It was agreed that any underspend in 2013/14 within Adults and Children's Services would be set-aside to offset any short-fall in savings delivered in 2014/15. At the conclusion of 2013/14 £3.4 million has been set aside in a Families & WellBeing Budget Stabilisation Reserve.

2.9 The net underspend at the year end has been transferred to the Remodelling Reserve to help deliver the Council Vision for 2016. The main underspends in Directorates have included the achievement of 2014/15 savings in 2013/14, additional income and less expenditure in a number of services as the culture of needing to save has become accepted across the Council.

## LEVEL OF GENERAL FUND BALANCES

- 2.10 The level of balances is locally determined using a risk-based assessment which takes into account the strategic, operational and financial risks facing the Council. The approach confirmed by Cabinet on 29 November 2012 and on 18 February 2013 was with the level of balances being set at, or above, the locally determined figure.
- 2.11 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. In setting the Budget 2014/15 the projected balances were revised to £13.0 million for 2013/14 and £17.3 million for 2014/15.
- 2.12 The out-turn shows the final figure to be £17.2 million which is close to the target figure for General Fund balances of £17.3 million for 2014/15.

**Table 4: Summary of the General Fund balances**

Details	£m	£m
Projected balance 31 March 2013 when setting the Budget 2013/14		13.6
Add : Increase following completion of 2012/13 accounts		+3.6
		17.2
Add : Cabinet 12 February 2014 to release Earmarked Reserve	9.9	
Net underspend 2013/14	5.0	
Transformation Grant received	0.6	+15.5
		32.7
Less ; Cabinet 12 February 2014 to create Remodelling Reserve	-9.9	
Less : Additions to Remodelling Reserve	-5.6	-15.4
Actual Balance 31 March 2014		17.2

- 2.13 The review of reserves formed part of the Revenue Budget 2014/17 report to Cabinet on 12 February 2014. This enabled a £9.9 million Remodelling Reserve to be created in order to help deliver the Council Vision for 2016. This came from the reserves released by Directorates (£3.7 million) and the re-designation of the Budget Support (£4.2 million) and Local Pay (£2 million) reserves. To this was added the Central Government Transformation Grant and the revenue underspend with the Reserve used to meet the costs of redundancies in 2013/14. The Remodelling Reserve was £14.2 million at 31 March 2014.

## COLLECTION FUND

- 2.14 A number of significant changes implemented from April 2013 impact upon the Collection Fund. These included the commencement of the business rates retention scheme and the abolition of the Council Tax Benefit System and replacement with Local Council Tax Support. Business Rates Retention replaced the pooling arrangement with guaranteed central pool income with a system which involves a level of increased risk, partially mitigated with a Government 'top up' payment for authorities such as Wirral with a low business rates tax base.

- 2.15 The Collection Fund held a deficit of £1.8 million at 31 March 2014. The Collection Fund comprises Council Tax and Business Rates balances which are apportioned separately in accordance with the relevant legislation for each income source. Whilst Council Tax generated a surplus there was a greater deficit within Business Rates. This was due to the requirement to set aside increased provision for potential future business rates appeals and the deficit is shared with Government. Overall this results in Wirral's share of the Collection Fund equating to a surplus of £0.152 million.

**Table 5 : Collection Fund Balance As At 31 March 2014**

	£000
Council Tax	2,449
Business Rates (NNDR)	-2,297
Net Surplus	152

- 2.16 In accord with accounting requirements, the Wirral share of the surplus is shown in the Council's accounts and will, depending upon performance in 2014/15, be available for distribution in 2015/16.

#### **PROVISIONS FOR BAD DEBTS**

- 2.17 During 2012/13 the Council engaged Mr Eugene Sullivan to undertake a review of the procedures for the recovery of debt and actions taken to reduce the level of outstanding debt within Adult Social Services. The report to Cabinet on 23 May 2013 identified that there was the potential to write-off significant sums for which increased provision was made in the Accounts for 2012/13. In 2013/14, following the review of debts a number of write offs have been actioned and procedures changed.
- 2.18 Details of the performance for 2013/14 are contained in the Collection Summary 2013/14 which refers to the improved collection performance, the reduction in the level of debts at the year-end and debts written-off in the year. Work is continuing in respect of the assessment of the recoverability of older debts.

**Table 6 : Provision For Potential Bad Debts**

	At 31 Mar 2013	At 31 Mar 2014
	£000	£000
General Fund		
Sundry Debtors	10,900	7,208
Summons Costs	490	506
Housing Benefit	7,017	7,837
Collection Fund		
Business Rates	-	1,635
Council Tax	7,498	11,217

## **RESERVES**

- 2.19 Details of the current level of the reserves and the movements during 2013/14 are shown in the Annex. The earmarked reserves increased from £65 million at 31 March 2013 to £84 million at 31 March 2014.
- 2.20 Careful consideration was given to any proposals which increase earmarked reserves with additional verification required as part of the 2013/14 closure of accounts process. The increase in reserves reflects the transfer of the outturn underspend of £5 million, Insurance and taxation related funding, which includes Business Rates, of £6 million, Public Health specific grant funding of £2 million and Families and Well Being Stabilisation relating to the loan repayment of £4 million. A number of these transfers reflect decisions to build up a fund to support the remodelling the Council, to meet anticipated future financial risks or to compile with external grant conditions.
- 2.21 Under the Education Reform Act 1988 all primary, secondary, special and nursery schools manage delegated budgets. At 31 March 2014 the balances held by schools totalled £ 11.7 million (£11.9 million at 31 March 2013) and these can only be used for schools' purposes.
- 2.22 The balance of the Insurance Fund reserves was £9.1 million at 31 March 2014. The Fund increased due to the transfer of funding from the insurance provision following an actuarial review of the future liabilities and claims. Additional cover was provided for Environmental Warranties which enabled the release of sums which were held within the Magenta Living : Wirral Council Community Fund to the benefit of both organisations (see Cabinet 19 June 2014 and the Insurance Fund Annual Report 2013/14 to Audit & Risk Management Committee on 23 June 2014)..

## **3.0 RELEVANT RISKS**

- 3.1 There are none associated with this report which provides a summary of the Council's financial affairs for 2013/14 and the balances at 31 March 2014.

## **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 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.

## **5.0 CONSULTATION**

- 5.1 This is an end of year report. Consultation takes places as part of the planning and implementation of specific schemes within the Council Budget.

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

6.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

## **7.0 RESOURCE IMPLICATIONS**

7.1 The financial headlines are:-

- a) For 2013/14 the Revenue Out-turn shows an underspend of £5 million which is set out in sections 2.6 and 2.7.
- b) The Balances at 31 March 2014 are £17.2 million which is close to the level forecast when the Budget 2013/14 was agreed.
- c) The Earmarked Reserves now include a Remodelling Reserve which was £14.2 million at 31 March 2014 and has been created to meet the costs of delivering the Council Vision for 2016 including associated investment and redundancy costs.

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

## **8.0 LEGAL IMPLICATIONS**

8.1 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.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are no implications arising directly from this report being a report on the overall financial affairs for the financial year just completed.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 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.

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

11.1 There are no implications arising directly from this report.

## **12.0 RECOMMENDATIONS**

- 12.1
- a) The Revenue Out-turn for 2013/14, which shows an underspend of £5 million which is more favourable than the £1 million projected at Month 10 be noted.
  - b) The transfer of the underspend to the Re-Modelling Reserve be agreed.
  - c) The Reserves as detailed in the Annex be agreed.

## 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

Earmarked Reserves Statement 2013/14.

## REFERENCE MATERIAL

CIPFA Code Of Practice On Local Authority Accounting In The UK 2013/14.  
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 2013/14

<b>Earmarked Reserves</b>	<b>Balance 31 Mar 13</b>	<b>Movement 2013/14</b>	<b>Balance 31 Mar 14</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Remodelling	-	14,156	14,156
Schools Balances	11,936	(254)	11,682
Insurance Fund	7,821	1,330	9,151
Housing Benefit	10,155	(3,267)	6,888
IT Development	3,161	631	3,792
Families & Well Being Budget Stabilisation	-	3,431	3,431
Business Rates Equalisation	-	3,259	3,259
Public Health Outcomes	-	1,953	1,953
One Stop Shop/Libraries IT Networks	1,878	-	1,878
Budget Equalisation	-	1,860	1,860
Community Fund Asset Transfer	2,146	(615)	1,531
Dedicated Schools Grant	472	930	1,402
Efficiency Investment Rolling Fund	2,000	(711)	1,289
School Harmonisation	668	409	1,077
Business Rates Appeals	-	1,000	1,000
Stay, Work, Learn Wise	908	-	908
Supporting People Programme	1,105	(200)	905
Intensive Family Intervention Project	871	-	871
Working Neighbourhood Fund	760	-	760
Schools Capital Schemes	581	169	750
ERDF Match Funding	444	286	730
Support and Assistance to Public in Need	-	626	626
Schools - PFI Affordability Gap	-	600	600
Public Health - Information and Performance	-	564	564
Home Adaptations	518	(23)	495
Childrens Workforce Development Council	558	(89)	469
Schools Automatic Meter Readers	415	-	415
Schools Special Contingency	370	(2)	368
Social Worker Retention	-	349	349
Business Improvement Grant	342	(14)	328
Children Centre Nurseries	-	322	322
Parks & Countryside - PPM Reserve	-	311	311
Local Pay Review	2,296	(2,000)	296
Schools Service IT	294	-	294
Homeless Prevention	271	-	271
Child Poverty	350	(100)	250
Strategic Asset Review	366	(155)	211
Worklessness	1,085	(890)	195
Planned Preventative Maintenance	463	(290)	173
Apprentice Programmes 2 & 3	546	(386)	160
Budget Support	4,200	(4,200)	-
Other Reserves	7,796	(136)	7,660
	<b>64,776</b>	<b>18,854</b>	<b>83,630</b>

Summary of Earmarked Reserves

<b>Generic Purpose of Earmarked Reserves</b>	<b>Balance 31 Mar 2014 £ million</b>
To Support Service Activities and Projects	26.5
To Support the Councils Remodelling Programme	19.3
Mitigation of Future Risks: Insurance and Taxation	20.3
Schools Related	17.5
<b>Total Earmarked Reserves</b>	<b>83.6</b>

## CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>CAPITAL OUT-TURN 2013/14</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 whilst detailing the Capital Out-turn for 2013/14 and the resources which were used to fund the Programme also provides a review of the progress of the delivery of the agreed Capital Programme.

**2.0 BACKGROUND AND KEY ISSUES****MONITORING 2013/14**

- 2.1 The Capital Programme 2013/16 was considered by Cabinet on 18 February 2013 and formally approved by Council on 5 March 2013. The Programme is dictated by Government announcements on supported schemes and programmes and affordability. It was highlighted that the Council's Revenue Budget position limited the scope for unsupported capital expenditure.
- 2.2 Throughout the financial year Cabinet have received updates in respect of Capital Monitoring with these reports having been submitted monthly.
- 2.3 The last monitoring report, for Month 10, was considered by Cabinet on 13 March 2014. Since then work has been on-going in order to complete 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**

- 2.4 The capital spend for the year on the accruals basis amounted to £25.6 million compared to the Revised Programme of £35.9 million which was reported in the January (Period 10) monitor. This is summarised in Table 1.

**Table 1 : Capital Programme 2013/14**

<b>Spend</b>	<b>Original Approval</b>	<b>Revised January</b>	<b>Actual Out-turn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Invest to save	1,400	400	396
Bids to release assets	1,053	1,404	361
People – Adults	11,025	1,700	655
People – Children / Schools	10,286	10,919	8,157
Places – Regeneration	5,979	6,761	4,866
Places – Environment	7,196	12,240	9,436
Transformation – Finance	210	210	260
Transformation – Asset Mgt	315	1,764	1,517
Public Health	0	484	0
<b>Total Programme</b>	<b>37,464</b>	<b>35,882</b>	<b>25,648</b>

- 2.5 Cabinet has previously approved various increases totalling £28.2 million to the originally approved programme (mainly the re-profiling of schemes from 2012/13) and the re-profiling of £29.8 million to 2014/15 which was reflected the position for the Month 10 monitor. Since then Directorates have identified that a further £10.9 million of schemes to be deferred until 2014/15, with the most significant items shown in the table.

**Table 2 : Significant slippage identified since Month 10**

<b>Scheme</b>	<b>£000</b>
<b>Invest to Save</b>	
Energy Schemes	197
<b>Bids that release redundant Council assets</b>	
Fund to assist land assembly and resale	936
<b>People – Adults</b>	
Transformation of day services	500
Integrated I.T.	673
<b>People – Children / Schools</b>	
Schools - Formula Capital	903
Schools - Condition/modernisation	1,017
Birkenhead High Girls Academy	472
Schools - Remodelling	586
Youth capital schemes	149
Aiming higher for disabled children	134
<b>Places – Regeneration</b>	
Clearance	321
Home improvements	707
Disabled Facilities Grants	126
Improvement for sale grants	200
Empty property intervention	128
Think Big Investment Fund	208
Regional Growth Fund	280

<b>Places – Environment</b>	
Bridges	186
Active Travel	306
Coast Protection	174
Parks – plant and equipment	100
Parks – vehicles	388
West Kirby / Guinea Gap Centres	1,000
<b>Transformation &amp; Resources Asset Management</b>	
Arrowe Park changing pavilion	144
West Kirby Concourse Roof	144
<b>Public Health</b>	
Guinea Gap 3G football pitches	245
Concourse fitness suite	112
Wirral Way – widening and safety	117
<b>Total of significant schemes</b>	<b>10,453</b>

2.6 In reviewing the programme and the spend for the year it is clear that whilst a number of schemes have progressed, and indeed completed, there have been a significant number that were re-profiled to 2014/15 and beyond for a variety of reasons. This change in timing delivers in-year savings in respect of Treasury Management costs because for those schemes that were reliant upon borrowing then the need to borrow is also deferred.

2.7 A summary of the areas within the programme:-

2.7.1 Invest-To-Save

This included the Integrated Children’s IT System which has become part of the work in replacing the Adults IT System and the project is progressing in line with the revised time-scales. As a consequence some £1.8 million will now be incurred in 2014/15.

2.7.2 Bids to release assets

Relates to the fund created to assist with the assembly of sites for disposal of £2 million. This has been allocated to meet the cost of the demolition of a number of sites including office accommodation at Bebington and Liscard as well as former School sites, including Rock Ferry High School, realising a reduction in the programme. Given various factors these have now been moved to 2014/15 at the earliest.

2.7.3 Adults

The Learning Disabilities Extra Care Housing Scheme procurement was completed in early 2014 and a delivery plan agreed. The Capital Programme has been amended to show the Council contribution towards this scheme, rather than the overall scheme which is primarily funded by the private sector thereby removing £9 million from the 2013/14 Programme.

The investment into Day Centres, is linked to the development of the Transformation of Day Services with the planned investment of £1.2 million re-programmed to 2014/15.deferred

#### 2.7.4 Childrens

This area of the Programme includes investment in Schools which is essentially funded by Government Grant. The Government Grant announcements are confirmed annually and just prior to the financial year. The works to the buildings are undertaken in conjunction with the schools and mindful of the impact upon the service such works are largely arranged for completion outside of term-times. These factors impact upon the timing of the actual spend with frequent revisions to be accommodated. As a consequence 2013/14 saw £6.9 million of the £9.8 million Condition / Modernisation allocation, £2.2 million of the £2.5 million Formula Capital and the £0.7 million for School Re-Modelling deferred to 2014/15.

The year saw the completion of the Pensby Primary School, which was in advance of the planned time-table, and the Birkenhead Girls Academy will complete with some remedial works and the IT System being concluded in 2014/15

The Wirral Youth Zone scheme is an externally funded project to enhance youth facilities towards which the Council has allocated a £2 million contribution. At this stage the scheme is at the development stage, with the funding secured enabling this to be progressed, so the contribution will not be required until 2014/15, at the earliest.

#### 2.7.5 Regeneration

The Council successfully obtained Regional Growth Fund grant and this investment into the offshore renewable energy sector. With applications being approved the companies are only paid upon defrayment wit the £2 million originally programmed for 2013/14 now to be incurred in 2014/15.

The New Brighton re-development continues with the Council allocation of £1 million to provide additional environmental improvements having been deferred from 2013/14.

In supporting housing accommodation the support for the provision and re-provision of new housing through the clearance programme saw £1.7 million of the £2.5 million allocation deferred to 2014/15. Support for the private sector housing continues through the Healthy Homes and Cosy Homes initiatives. The latter successfully delivered £0.3 million of investment.

Disabled Facilities Grants continue to be approved and the spend committed but the incurring of this spend is determined by the grant applicants which means that there will invariably be works approved but will not be completed until the following year. Whilst £2.2 million was spent a further £1.7 million was carried forward against this commitment.

#### 2.7.6 Environment

Over £6.6 million was spent on the highways infrastructure including roads and bridges. The programme for 2014/15 has been reported to Cabinet and includes the additional Government funding of £0.5 million received late in 2013/14.

The changes to the financing of the wheelie-bins, at a cost of £0.9 million came in below budget, and enabled the Council to achieve permanent revenue savings from 2013/14.

The parks service has been supported by £1.3 million for new equipment which has enabled the planned efficiencies to be delivered in a safe manner. This will continue with the £0.9 million for vehicle replacements and the parks depot rationalisation which has now been subsumed within the wider depot rationalisation in 2014/15.

The Leisure Review identified the need for investment into the sports and leisure centres. This Review also resulted in other actions which are being developed and to ensure the investment into the West Kirby and Guinea Gap Centres achieves best effect this investment is now profiled for 2014/15 onwards.

#### 2.7.7 Finance

The Council has embarked upon a substantial programme of investment into Information Technology which includes the Oracle System and is a key element in supporting the delivery of the Future Council project with some limited initial investment completed towards the conclusion of 2013/14.

#### 2.7.8 Asset Management

With the development of the Asset Management Strategy and the Office Accommodation Strategy works have been undertaken on those buildings identified for retention in the longer term. At Wallasey Town Hall significant health and safety works have been completed, and are ongoing, which also support the use of the building as office accommodation. The Rock Ferry Centre has seen the successful integration of the One Stop Shop and Library facilities.

## CAPITAL FINANCING

2.8 Table 3 details the resources used to finance the Capital Programme.

**Table 3 : Capital Financing 2013/14**

<b>Resources</b>	<b>Original Approval</b>	<b>Revised January</b>	<b>Actual Out-turn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	7,920	10,673	694
Grant - Education / Schools	8,786	9,954	7,797
Grant - Local Transport Plan	2,864	3,386	3,386
Grant - Sustainable Transport	676	1,326	1,379
Grant - Integrated Transport	1,155	837	1,136
Grant - Other	12,054	4,411	9,707
Revenue/Reserves	888	1,631	6
Capital Receipts	3,121	3,664	1,543
<b>Total Resources</b>	<b>37,464</b>	<b>35,882</b>	<b>25,648</b>

2.9 Whilst the re-profiling referred to earlier has been the scheme and associated funding deferred until 2014/15 the opportunity was also taken to utilise previously unapplied capital grants including those received for the Local Area Agreement and Local Public Service Agreement which enabled borrowing and the use of capital receipts to be reduced.. In respect of Reserves the schemes were funded from Capital Receipts thereby allowing the sums initially allocated to be transferred to the General Fund balance.

## CAPITAL RECEIPTS

2.10 The Capital Programme is reliant on the Council generating capital receipts to finance future schemes. The receipts received during the year totalled £2.3 million which was in excess of the target of £1.8 million.

2.11 Table 4 shows the movements in the Reserve during 2013/14 with £8.1 million held at 31 March 2014. This has been identified for use on funding key projects including the Information Technology investment (£4 million) and the Wirral Youth Zones (£2 million) as well as smaller projects in order to reduce the impact of the Capital Financing charges.

**Table 4: Capital Receipts Reserve**

	<b>£ million</b>
<b>Balance as at 1 April 2013</b>	<b>8.1</b>
Add : Receipts during the year	2.3
Less : Used to part fund the Capital Programme	(1.5)
<b>Balance as at 31 March 2014</b>	<b>8.9</b>



2.12 The Council worked with the Local Government Association (LGA) to review the Council's Assets as reported to Cabinet on 7 November 2013. This highlighted the Council could realise £20 million from asset disposals including Acre Lane, former Rock Ferry High School and Manor Drive, Upton. Based on the work of Lambert Smith Hampton it is expected that the disposals for Acre Lane and Rock Ferry will occur in 2014/15 and that for Manor Drive in 2015/16.

### **3.0 RELEVANT RISKS**

3.1 There are none associated with this report which provides a summary of the spend and financing of the Capital Programme in 2013/14. The Programme has been monitored throughout the year and has been the subject of monthly reports to Cabinet.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options were considered. There is a legal requirement to publish the capital spend and financing at the end of the financial year.

### **5.0 CONSULTATION**

5.1 This is an end of year report. Consultation takes place as part of considering the capital programme and over the planning and implementation of the specific schemes within the programme.

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

6.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes within the programme.

### **7.0 RESOURCE IMPLICATIONS**

7.1 The capital spend for the year on the accruals basis amounted to £25.6 million. This was funded from borrowing of £0.7 million, government grants of £23.4 million and useable capital receipts of £1.5 million.

7.2 The re-profiling of schemes from 2013/14 to 2014/15, and beyond, has seen the funding similarly re-profiled. This includes the planned borrowing which has been deferred and has contributed towards the in-year savings on Treasury Management activities.

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

### **8.0 LEGAL IMPLICATIONS**

8.1 There is a legal requirement to publish a report on the capital spend and financing at the end of each financial year.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are no implications arising directly from this report which covers the overall programme and its funding for the financial year.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 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.

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

11.1 There are no implications arising directly from this report.

## **12.0 RECOMMENDATIONS**

- 12.1
- a) The re-profiling of £10.9 million from 2013/14 to 2014/15 be noted.
  - b) The financing of the Programme for 2013/14 be noted.
  - c) The Programme for 2014/15 be rigorously reviewed to ensure that it is realistic and deliverable in order to minimise the ongoing need for the re-profiling of the agreed Programme.

## **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 2013/14 financial year.

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## **REFERENCE MATERIAL**

CIPFA Code Of Practice On Local Authority Accounting In The UK 2013/14.  
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 – Out-turn 2012/13	18 February 2013
Cabinet – Budget 2013/14	5 March 2013
Council – Budget 2013/14	13 June 2013
Cabinet – Capital Monitoring 2013/14	Monthly reports

## CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>COLLECTION SUMMARY 2013/14</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>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 during the year.

**2.0 BACKGROUND AND KEY ISSUES****COUNCIL TAX**

- 2.1 There were major changes to Council Tax for 2013/14. The Local Council Tax Support Scheme replaced the Council Tax Benefit Scheme combined with a 10% reduction in Central Government, funding. To meet this reduction Wirral agreed that Council Tax was payable by recipients for the first time with an increase for those who were already paying some Council Tax. The removal of exemptions on empty properties led to Wirral agreeing to award zero discount on those properties and the adoption of a premium of 50% charged on properties that had been empty in excess of 2 years. Council Tax was also increased by 2% from 1 April 2013. This resulted in an extra £10 million to collect for 2013/14.
- 2.2 As a consequence of the changes it was projected that the in year collection rate would fall from 96.8% to 95.4%. Of the additional £10 million that was to be collected for 2013/14 the sum of £8.9 million was collected by 31 March 2014. The overall effect was in year collection was 95.4%, 0.3% above the projected target of 95.1%.

**2.3 Collection Summary 2013/14**

	£	£
Arrears Brought Forward at 1 April 2013		13,646,000
Total Charge		<u>183,898,034</u>
		197,544,034
Less Credits Brought Forward at 1 April 2013		<u>766,699</u>
		<u>196,777,335</u>

Less Allowances:		
Exemptions	2,911,356	
Disabled Persons Relief	153,958	
Discounts and Band alterations	17,760,998	
Council Tax Support	27,826,687	
Write-offs	<u>942,439</u>	<u>49,595,438</u>
		147,181,897
Add Refunds Made		1,388,679
Add Costs		<u>895,879</u>
		149,466,455
Less Cash Received		<u>132,580,000</u>
Arrears Carried Forward at 31 March 2014		<u>16,886,455</u>

## 2.4 Debt Recovery Actions

	2012/13	2013/14
Reminder Notices	50,148	88,253
Summonses Issued	14,086	23,153
Leading to		
Liability Orders	9,520	16,674
Attachment of Earnings Orders	2,068	1,961
Deductions from Job Seekers		
Allowance/Income Support	3,949	7,193
Referred to Bailiffs	5,869	7,408

- 2.5 The majority of the increased debt is due to the change from the Council Tax Benefit Scheme to the Local Council Tax Support Scheme, which gave maximum support of 78% rather than the previous 100%, and the removal of the exemption on empty properties. Collection activity continues against all debts with the increase in recovery actions solely down to non-payment of the element from the change to Council Tax Support. Wherever possible an application for a deduction from benefit is the preferred collection method for accounts in receipt of Council Tax Support.

### Irrecoverables

- 2.6 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.
- 2.7 The provision for bad debts arising from Council Tax arrears stood at £10.5 million at 31 March 2014 (compared to £7.5 million at 31 March 2013). Whilst trace and recovery work is ongoing for Council Tax arrears £942,439 has been written off in 2013/14 categorised as follows:

Category	2012/13 £	2013/14 £
Deceased	50,066	77,909
Insolvency	134,257	203,901
Court Remission	11,195	11,783
Prison sentence served	5,172	0
Non-traceable	<u>597,834</u>	<u>648,846</u>
Total	<u>798,524</u>	<u>942,439</u>

## 2.8 Statistics

	31 Mar 2013	31 Mar 2014
Number of properties	146,154	146,450
Number of CTS Recipients (CTB in 2012/13)	39,667	37,932
Council Tax Collection	96.8%	95.4%

## 2.9 Year on Year Volume Comparisons

	31.03.12	31.03.13	31.03.14
Direct Debit Payers	88,432	89,081	91,545
Discount Recipients	70,467	67,950	70,225
Pensioners discounts	10,536	13,856	14,011
Exempt Persons	3,955	4,189	1,908
No. of Amended/Copy Accounts	113,907	117,795	126,212
No. of Returned Direct Debit Payments	11,252	11,018	12,891
Payments: Direct Debits	889,553	900,217	945,527
Cash/Cheque	59,526	24,310	70,384
Salaries/Wages	14,641	12,517	11,497
Debit/Credit Card	56,941	57,651	78,915
Paypoint	30,487	29,349	44,092
Post Office	64,362	57,298	77,203
Dept for Work & Pensions	27,910	27,012	35,102
Bailiff	27,628	16,276	14,675

## BUSINESS RATES (NATIONAL NON DOMESTIC RATES)

2.10 There was a small increase in the number of properties and in 2013/14 collection increased from 95.3% to 96.9%.

## 2.11 Collection Summary 2013/14

	£	£
Opening Debit		84,990,136
Plus Balance Brought Forward		6,550,531
Less Credit Brought Forward		<u>725,518</u>
		90,815,149

<u>Allowances</u>		
Assessment changes in year	-1,499,880	
Transitional relief	360,314	
Empty relief	-796	
Empty relief exemptions	-3,951,475	
Part Occupation relief	-125,230	
Void property relief	-1,945	
Charitable Organisations	-5,392,249	
Rural Relief	1,130	
Small Business rate relief	-5,991,487	
Write-Offs	-1,020,681	
Interest	<u>2,658</u>	<u>-17,619,641</u>
		73,195,508
Add Refunds made		2,701,092
Add Costs		<u>53,559</u>
		75,950,159
Less Cash Received		<u>-69,180,267</u>
Balance Carried Forward		<u>6,769,892</u>

## 2.12 Debt Recovery Action

	2012/13	2013/14
Summonses	760	724
Liability Orders	679	665
Chargepayers on Direct Debit	2,100	1,979

### Irrecoverables

2.13 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 2013/14.

2.14 Category	2012/13	2013/14
	£	£
Absconded/Irrecoverable	745,526	521,447
Insolvency	1,084,717	507,420
Miscellaneous (including deceased)	<u>264,976</u>	<u>-8,186</u>
Total	<u>2,095,219</u>	<u>1,020,681</u>

## 2.15 Statistics

	2012/13	2013/14
Number of Properties on Valuation List	8,109	8,202
Rateable Value	£181,374,913	£181,379,353
New and Altered Property Notifications	1,883	1,788
Collection Rate	95.3%	96.9%

- 2.16 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 infrastructure work has been undertaken to date there have been no completed buildings within the Zone for Business Rates purposes.
- 2.17 Cabinet agreed on 10 April 2014 to use High Street Innovation Fund monies (£100,000) to support the Wirral Chamber of Commerce drawing up proposals relating to the establishment of a Birkenhead Business Investment District (BID). If established this would be the first BID for Wirral and the substantial increase in the levying and collection of this additional rates sum would require additional staffing resources.

### **SUNDRY DEBTOR ACCOUNTS**

- 2.18 Reports to Cabinet on 23 May 2013 included the review undertaken by Mr Eugene Sullivan and actions to reduce the level of outstanding debt particularly within Adult Social Services. This identified there was the potential to write-off significant sums for which provision has been made in the accounts. This work is still ongoing and during the year debts have been submitted to Cabinet for write off approval as detailed in Section 2.29.
- 2.19 During 2013/14 the Council raised invoices totalling £100 million and collected income of £102 million reflecting the improved collection of debts. This was particularly evident in that the level of debt at 31 March 2014 showed a reduction on the 31 March 2013 figure whereas previous years showed an increasing level of debt at the end of the year.

### **2.20 Collection Statement**

	2012/13	2013/14
	£	£
Balance Brought Forward at 1 April	31,072,430	30,006,306
Net Amount of Invoices	<u>103,103,357</u>	<u>99,552,730</u>
	134,175,787	129,559,036
Less Write-Offs	<u>1,517,188</u>	<u>3,962,531</u>
	132,658,599	125,596,505
Payments Received	<u>102,652,293</u>	<u>102,102,750</u>
Balance Carried Forward at 31 March	<u>30,006,306</u>	<u>23,493,755</u>

- 2.21 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
2011/12	50,740	£98.0m	£31.1m
2012/13	47,912	£103.1m	£30.0m
2013/14	51,139	£99.6m	£23.5m

2.22 The table below outlines Departmental Debt as at 31 March 2014

Department Description	Less than 10 days	1 <sup>st</sup> Reminder	2 <sup>nd</sup> Reminder	3 <sup>rd</sup> Reminder	Total as 31.03.14	Land Charges
	£	£	£	£	£	£
Chief Exec	75,545	54,159	2,440	626,948	759,052	360
Neighbourhood	1,229	0	1,593	21,568	24,390	0
Transformation	2,021,465	159,814	3,716,128	540,578	6,437,985	41,938
Families	4,945,773	741,540	975,057	8,212,766	14,875,136	2,386,908
Regeneration	390,408	227,386	84,661	700,652	1,430,110	276,411
Policy and Perf	158	0	0	48,042	48,200	0
<b>Totals</b>	<b>7,434,578</b>	<b>1,182,902</b>	<b>4,779,879</b>	<b>10,150,554</b>	<b>23,547,913</b>	<b>2,705,614</b>

- 2.23 Changes have been made during the year to the debt recovery timescales in that the 1<sup>st</sup> reminder is now sent after 10 days (previously 28 days), the 2<sup>nd</sup> reminder after 20 days (was 48 days), the 3<sup>rd</sup> reminder after 28 days (this is new and was introduced to advise that the account was to be passed for legal enforcement if payment or contact was not made) with cases referred to legal services after 42 days (was 70 days).
- 2.24 Land charges represent those debts which have been registered as a charge against a property and should be recovered when that property is subsequently sold. These cases are managed by Legal Services.
- 2.25 The figures are for invoices in respect of the period up to the end of March 2014. Payments as well as amendments such as write-offs and debts cancellations continue to be made after this date on all these accounts which resulted in the balance shown in Section 2.20.
- 2.26 Cabinet are advised that of the debt outstanding at 31 March 2014 payments had been received which reduced the total to £16 million by May. This included Merseyside Residuary Debt invoices totalling £3.5 million under Transformation sent on 11 March 2014 and paid in early April.

#### Irrecoverables

- 2.27 Sums over the limit of delegation £1,000 and below £5,000 require Cabinet approval. The list below was included in the Accounts Receivable totals for the 13 March 2014 Cabinet report but the supporting information was not supplied the table below corrects that oversight..

Over £1,000 and below £5,000 Write off Descriptions	Cases	£
No Trace	3	3,990
Irrecoverable	18	37,960
Statute Barred	1	3,060
Departmental t Advice	1	3,995
Insufficient Proof	2	4,359
<b>Total</b>	<b>25</b>	<b>53,364</b>



- 2.29 Work has been undertaken during the year to check accounts and submit debts for write-off and the table illustrates debts reported to Cabinet that have been written-off to date in 2013/14.

Cabinet Date	Debtors DASS	Debtors Other	HB Overpayments	Total
	£	£	£	£
11.07.13	512,574	-	-	512,574
16.01.14	384,904	-	161,030	545,934
13.03.14	504,555	-	146,927	651,482
13.03.14	765,150	1,796,348	-	2,560,498
<b>Total</b>	<b>2,167,183</b>	<b>1,796,348</b>	<b>307,957</b>	<b>4,270,488</b>

### HOUSING BENEFIT OVERPAYMENT DEBTS

- 2.29 In addition to the £307,957 reported to Cabinet the following Housing Benefit overpayment debts, all under £1,000, were written off in 2013/14 using delegated authority.

Reason	No	£
Elderly	22	6,017
Bankrupt	48	15,814
Deceased	73	14,564
Statute Barred	120	47,283
Small Balance	107	2,572
Uneconomic to pursue	82	10,257
<b>Total</b>	<b>452</b>	<b>96,507</b>

### HOUSING ACT ADVANCES

- 2.30 No new advances were made in 2013/14. The number of mortgage accounts continues to decrease as more are redeemed or transferred to other institutions. The small caseload retained continues to be monitored to prevent arrears increasing. Steps are being undertaken to bring the management of the remaining accounts in-house as the potential costs of remaining with the current supplier are prohibitive and potentially in excess of the loans outstanding.

### 2.31 Collection statement

	2012/13	2013/14
	£	£
Arrears Brought Forward	1,884	2,892
Add : Charges	<u>29,445</u>	<u>17,025</u>
Total	31,329	19,917
Less : Cash Collected	<u>28,437</u>	<u>17,413</u>
Arrears Carried Forward	<u>2,892</u>	<u>2,504</u>

## 2.32 Housing Act Advances Five Year Collection Details

Financial Year	Amount Collectable £	Arrears £	Number of Accounts
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
2013/14	19,917	2,504	12
Total of loans outstanding at 31 March 2013			£40,329
Total of loans outstanding at 31 March 2014			£27,754

### IRRECOVERABLE DEBTS

2.33 Under delegated powers and previous Cabinet approval I have written off as irrecoverable the following:-

	£
Council Tax	942,439
Business Rates	1,026,681
Sundry Debtors	3,962,531
Housing Benefits Overpayments	<u>404,465</u>
Total	<u>6,336,116</u>

2.34 The irrecoverable debts are written-off against the provisions for bad debts which are reviewed annually in accordance with accounting guidelines. At 31 March 2014 the provision for Council Tax stood at £11.2 million (£7.5 million at 31 March 2013) and for Sundry Debtors £7.2 million (£10.9 million at 31 March 2013).

## 3.0 RELEVANT RISKS

3.1 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.

## 4.0 OTHER OPTIONS CONSIDERED

4.1 The report presents a summary of the collection performance for 2013/14. No other options were considered.

## 5.0 CONSULTATION

5.1 Relevant officers of the Council have been consulted in preparing this report.

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

6.1 There are none arising directly from this report.

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

7.1 This report details financial performance in connection with the collection of incomes due to the Council.

7.2 Since the reports to Cabinet on 23 May 2013 staffing within the Social Services PFU Team has been increased to improve income recovery.

## **8.0 LEGAL IMPLICATIONS**

8.1 Debts recommended for write-off are agreed by the Head of Legal and Member Services.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are none arising directly from this report.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising directly from this report.

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

11.1 There are none arising directly from this report.

## **12.0 RECOMMENDATIONS**

12.1 The report be noted including:-

- a) The Council Tax in-year collection rate being 95.4% and 0.3% above the projected target.
- b) The Business Rates collection rate increased from 95.3% to 96.9% in 2013/14.
- c) The Sundry Debtors arrears at 31 March 2014 showed a reduction of £6.5 million on the position at 31 March 2013.

## **13.0 REASON FOR RECOMMENDATIONS**

13.1 Whilst the Financial Monitoring reports throughout the year provide an on-going update on the collection of revenues this annual report provides a more comprehensive review of the collection activity.

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## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet - Collection Summary 2010/11	24 June 2011
Cabinet - Collection Summary 2011/12	21 June 2012
Cabinet - Collection Summary 2012/13	13 June 2013

## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT</b>	<b>TREASURY MANAGEMENT ANNUAL REPORT 2013/14</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report presents a review of Treasury Management activities in 2013/14 and confirms compliance with treasury limits and prudential indicators. It fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code of Practice on Treasury Management and the Department for Communities and Local Government Investment Guidance.
- 1.2 The Authority achieved in-year savings from the re-profiling of the Capital Programme with the need for external borrowing offset by the temporary use of internal funds. This use of internal funds reduced the sums available for investment and low interest rates meant the income target was not achieved but, overall, Treasury Management activities underspent by £2 million in 2013/14. The Authority also complied with the Prudential Indicators.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Treasury management is defined as: "The management of the local authority investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 2.2 The Council has adopted the CIPFA Code of Practice on Treasury Management ("the Code"). This requires authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code recommends that Members are informed of treasury management activities at least twice a year.
- 2.3 Cabinet approves the Treasury Management Strategy at the start of each financial year. This identifies how it is proposed to finance capital expenditure, borrow and invest in the light of capital spending requirements, the interest rate forecasts and the expected economic conditions. During the year Cabinet receives updates on treasury management activities and at the end of the financial year this Annual Report. Scrutiny of Treasury Management activity is delegated to Transformation & Resources Policy & Performance Committee.

## Economic Background

- 2.4 At the beginning of t2013/14 markets were concerned about lacklustre growth in the Eurozone, the UK and Japan. Lack of growth in the UK economy, the threat of a 'triple-dip' alongside falling real wages and the paucity of business investment were a concern for the Bank of England's Monetary Policy Committee. Only two major economies, the US and Germany, had growth above pre-financial crisis levels, albeit these were still below trend. The Eurozone had navigated through a turbulent period for its disparate sovereigns and the likelihood of a near-term disorderly collapse had significantly diminished. The US government had just managed to avoid the fiscal cliff and a technical default in early 2013, only for the problem to re-emerge later in the year.
- 2.5 The Bank of England unveiled forward guidance in August 2013 pledging to not consider raising interest rates until the ILO unemployment rate fell below the 7% threshold which the Bank did not expect to be reached in 2016. Although the Bank stressed that this level was a threshold for consideration of rate increase rather an automatic trigger, markets began pricing in a much earlier rise than was warranted and, as a result, gilt yields rose aggressively.
- 2.6 The recovery in the UK showed strong economic activity and growth with Q4 2014 Gross Domestic Product (GDP) showing year-on-year growth of 2.7%. This was due to the dominant service sector and an increase in household consumption buoyed by the pick-up in the housing market. Business investment had yet to recover convincingly and the recovery was not accompanied by meaningful productivity growth. Worries of a housing bubble tempered by evidence that net mortgage lending was only around 1% up.
- 2.7 Consumer Price Index (CPI) fell from 2.8% in March 2013 to 1.7% in February 2014, the lowest rate since October 2009. Although the fall in unemployment (down from 7.8% in March 2013 to 7.2% in January 2014) was faster than the Bank of England or many analysts had forecast, it hid a stubbornly high level of underemployment. Importantly, average earnings growth remained muted and real wage growth was negative. In February the Bank stepped back from forward guidance relying on a single indicator, the unemployment rate, to more complex measures which included spare capacity within the economy. The Bank also implied that when official interest rates were raised, the increases would be gradual – this helped underpin the 'low for longer' interest rate outlook despite the momentum in the economy.
- 2.8 The Office of Budget Responsibility's 2.7% forecast for economic growth in 2014 forecast a quicker fall in public borrowing over the next few years. The Chancellor resisted the temptation to spend any proceeds of higher economic growth with the 2013 Autumn Statement and 2014 Budget, retained the Government's austerity measures.

- 2.9 The Federal Reserve announced in May 2014 that the quantitative easing (QE) programme may be 'tapered'. Investors began to factor in not just an end to QE but also rapid rises in interest rates. 'Tapering' (a slowing in the rate of QE) began in December 2013 and there was an expectation that QE would end by October 2014. This had particular implications for global markets which had hitherto benefited from, and got very accustomed to, the high levels of global liquidity afforded by QE. The impact went further than a rise in the dollar and higher US Treasury bond yields. Gilt yields also rose as a consequence and emerging markets, which had previously benefited as investors searched for yield through riskier asset, suffered large capital outflows in December and January.
- 2.10 With the Eurozone struggling to show sustainable growth, the European Central Bank (ECB) cut main policy interest rates by 0.25% to 0.25% and the deposit rate to zero. Markets were disappointed by the lack of action. Data pointed to an economic slowdown in China which, alongside a weakening property market and highly leveraged shadow banking sector, could prove challenging for its authorities.
- 2.11 Russia's annexation of the Ukraine in March 2014 heightened geopolitical tensions and risk. The response from the West which saw sanctions against Russia, which supplies nearly 30% of European natural gas needs and is also a significant supplier of crude oil, so any major disruption to their supply would have serious ramifications for energy prices.
- 2.12 Gilt Yields and Money Market Rates: Gilt yields ended the year higher than the start. The peak in yields was during autumn 2013 with the biggest increase in 5-year gilt yields 0.70% to 1.97%. 10-year gilt yields rose by nearly 1% ending at 2.73%. The increase was less pronounced for longer dated gilts; 20-year yields rose from 2.74% to 3.37% and 50-year yields rose from 3.23% to 3.44%. 3-month, 6-month and 12-month Libid rates remained at levels below 1% through the year.

## **BORROWING AND DEBT MANAGEMENT**

- 2.13 The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31 March 2014 was £360 million.

	Balance on 01/04/2013 £000	Maturing Debt £000	New Borrowing £000	Balance on 31/03/14 £000
<b>CAPITAL FINANCING REQUIREMENT</b>	<b>376,196</b>			<b>360,090</b>
Short Term Borrowing	32,914	(17,325)	0	15,589
Long Term Borrowing	214,229	(12,927)	0	201,302
<b>TOTAL BORROWING</b>	<b>247,143</b>	<b>(30,252)</b>	<b>0</b>	<b>216,891</b>
Other Long Term Liabilities	58,414	(3,233)	0	55,181
<b>TOTAL EXTERNAL DEBT</b>	<b>305,557</b>	<b>(33,485)</b>	<b>0</b>	<b>272,072</b>

2.14 The following table shows the long term loans repaid during the year.

Loans maturing in 2013/14	Principal £m	Fixed/ Variable	Rate %	Loan start date	Terms
*Landesbank Hessen	5.00	Fixed	5.94	03-Jun-98	Maturity
*Landesbank Hessen	3.00	Fixed	6.51	08-Mar-99	Maturity
*Landesbank Hessen	5.00	Fixed	5.94	05-Feb-02	Maturity
*PWL B	5.00	Fixed	5.50	15-Mar-00	Maturity
PWL B	10.00	Fixed	4.39	13-Feb-08	Maturity
PWL B	0.50	Fixed	3.04	10-Feb-10	E I P
PWL B	0.50	Fixed	2.94	03-Mar-10	E I P
PWL B	0.50	Fixed	1.89	14-Oct-10	E I P
PWL B	0.50	Fixed	2.30	09-Nov-11	E I P
<b>Total Maturing Borrowing</b>	<b>30.00</b>				

\* Loan repaid was in respect of Merseyside Residual Debt Fund

- 2.15 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 2.16 At 31 March 2014 the Authority held £161 million of loans, as part of its strategy for funding previous years' capital programmes (compares to £173 million at 31 March 2013).
- 2.17 The average rate of interest paid on Council borrowings as at 31 March 2014 was 5.3% (compares with 5.8% for 2012/13). The average life of Council borrowings is 21 years (25 years for 2012/13).
- 2.18 The 2013/14 Treasury Strategy estimated that the Authority would have been allowed to increase its maximum borrowing requirement by up to £92 million during the year to without breaching the CFR limit. However, no new borrowing arrangements were entered into during the year.
- 2.19 With short-term interest rates having remained much lower than long-term rates, it was more cost effective in the short-term to use internal resources. By doing so, the Authority was able to reduce net borrowing costs despite foregone investment income and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the short term, internal resources are reducing and it is unlikely that such a policy can be sustained for much longer. The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose, the Council's Treasury Management advisors, assisted with this "cost of carry" analysis.



## **Other Long-Term Liabilities**

- 2.20 Other Long-Term Liabilities include the Schools Private Finance initiative (PFI) scheme and Finance Leases used to purchase vehicles plant and equipment. Under the International Financial Reporting Standards (IFRS) these items are shown on the Balance Sheet as a Financial Liability and need to be considered within any Treasury Management decision making process.
- 2.21 As at 31 March 2014 the PFI liability was valued at £55 million to be repaid by 2031 and there were three finance leases with a total liability of £72,000 repayable over 1-5 years.

## **Minimum Revenue Provision (MRP)**

- 2.22 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under Section 21(1A) of the Local Government Act 2003.
- 2.23 The MRP policy for 2013/14 was approved by Cabinet on 18 February 2013. In the absence of any Supported Borrowing, Option 3 the asset life method is applied to the funding of assets and where that life is greater than 25 years a default asset life of 25 years is applied. MRP in respect of PFI and leases brought on Balance Sheet under International Financial Reporting Standards (IFRS) is also calculated using Option 3 and will match the annual principal repayment for the associated deferred liability.
- 2.24 In 2013/14 the decision to use internal resources in lieu of borrowing for capital purposes and the beneficial timing of the new borrowing helped to generate in-year savings of £2.3 million whilst complying with the Regulations. In future years the temporary use of internal resources will ultimately have to be replaced by increased external borrowing.

## **INVESTMENT ACTIVITY**

- 2.25 Both the CIPFA Code and the CLG Investment Guidance require the Authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. The following table summarises the investment activity during the year.

<b>Investment Counterparty</b>	<b>Balance on 01/04/2013 £000</b>	<b>Investments Made £000</b>	<b>Maturities £000</b>	<b>Balance on 31/03/2014 £000</b>	<b>Credit Rating</b>
Local Authorities	35,500	2,000	(21,500)	16,000	A+
Banks	15,150 9,390	143,825 40,145	(143,015) (49,535)	15,960 0	A BBB+
Building Societies	2,000	5,000	0	7,000	A
Money Market Funds	0	335,949	(317,449)	18,500	AAA
Gilts & Bonds	8,500	0	(7,500)	1,000	AAA
<b>TOTAL INVESTMENTS</b>	70,540	526,919	(538,999)	58,460	

- 2.26 Security of capital remained the Authority's main investment objective. This was maintained by following the counterparty policy as set out in the Treasury Management Strategy Statement for 2013/14 which defined "high credit quality" organisations as those having a long-term credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher.
- 2.27 Counterparty credit quality was assessed and monitored with reference to credit ratings (minimum long-term counterparty rating of A- across all three rating agencies, Fitch, S&P and Moody's); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price.
- 2.28 The Council continues to invest in other local authorities and is a practice that was commended in the CIPFA Professional Magazine as an example of good practice. However, with investments maturing and as a consequence of the use of internal borrowing referred to earlier this saw a reduction in the sums available for investment.
- 2.29 There were material changes to UK Banks. In July 2013 Moody's placed the A3 long-term ratings of Royal Bank of Scotland and NatWest Bank on review for downgrade and in March 2014 the long-term ratings of both banks were revised to Baa1. This is below the Authority's minimum credit criterion of [A-], so the Banks were withdrawn from the counterparty list for further investment. The Authority no longer holds any investments with either. The Co-op Banks long-term ratings were downgraded by Moody's and Fitch to Caa1 and B respectively, both sub-investment grade ratings. Again no investments are held with this Bank.
- 2.30 The Financial Services (Banking Reform) Act 2013 gained Royal Assent in December 2013, legislating for the separation of retail and investment banks and for the introduction of mandatory bail-in in the UK to wind up, or restructure, failing financial institutions. European Union finance ministers agreed further steps towards banking union, and the Single Resolution Mechanism (SRM) for resolving problems with troubled large banks which will shift the burden of future restructurings/rescues to the institution's shareholders, bondholders and unsecured investors.

- 2.31 In keeping with the DCLG Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and the use of call accounts. Investments with banks and building societies were primarily call accounts and fixed-rate term deposits. The maximum duration of these investments was 12 months in line with the prevailing credit outlook during the year as well as market conditions.
- 2.32 Proposals were also announced for EU regulatory reforms to Money Market Funds which may result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper in the future.
- 2.33 In respect of Icelandic investments the Council had £2 million deposited with Heritable Bank, a UK registered Bank, at an interest rate of 6.22% which was due to mature on 28 November 2008. The Company was placed in administration on 7 October 2008. Members have received regular updates regarding the circumstances and the latest situation. In March 2009 an Audit Commission report confirmed that Wirral Council had acted, and continues to act, prudently and properly in all its investment activities.
- 2.34 The latest creditor progress report issued by the Administrators Ernst and Young, dated 25 March 2014, outlined that the return to creditors now stands at 94p in the £ with over £1.9 million now received.
- 2.35 In summary the budgeted investment income for the year had been estimated at £0.86 million and the actual interest earned was £0.58 million with this reduction principally due to:-
- Low interest rates offered by institutions which meet the eligibility criteria within the Treasury Management Strategy and;
  - The continuing policy of relying on internal borrowing which reduces the sums available for investment.
- 2.36 The average return on investments for 2013/14 was 0.5% (which compares with 0.8% for 2012/13). The UK Bank Rate was maintained at 0.5% throughout the year, short-term money market rates remained at very low levels and the average 3-month LIBID rate during 2013/14 was 0.45%. The return on the Authority investments reflects prevailing market conditions and the Authority's objective of optimising returns commensurate with the principles of security and liquidity.

#### **COMPLIANCE WITH PRUDENTIAL INDICATORS**

- 2.37 The Authority confirms that it has complied with its Prudential Indicators for 2013/14, which were approved on 18 February 2013 as part of the Council's Treasury Management Strategy Statement. Details can be found in the Appendix.

2.38 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during 2013/14. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

### **3.0 RELEVANT RISKS**

3.1 The Council is responsible for treasury decisions and activity and none of these decisions are without risk. The successful identification, monitoring and control of risk are important and the main risks are:-

- Liquidity Risk (Inadequate cash resources).
- Market or Interest Rate Risk (Fluctuations in interest rate levels).
- Inflation Risk (Exposure to inflation).
- Credit and Counterparty Risk (Security of investments).
- Refinancing Risk (Impact of debt maturing in future years).
- Legal and Regulatory Risk.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 There are no other options considered in this report.

### **5.0 CONSULTATION**

5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising out of this report.

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

6.1 There are none arising out of this report.

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

7.1 In the financial year 2013/14 the treasury management activities resulted in a saving of £2 million from capital financing activities. This sum has been returned to the General Fund balances.

### **8.0 LEGAL IMPLICATIONS**

8.1 The Council's has adopted the CIPFA Code of Practice on Treasury Management. This requires the annual production of Prudential Indicators and a Treasury Management Strategy Statement and the reporting of treasury management activities at least twice a year.

### **9.0 EQUALITIES IMPLICATIONS**

9.1 There are none arising out of this report and an Equality Impact Assessment (EIA) is not required.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising out of this report.

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

11.1 There are none arising out of this report.

## **12.0 RECOMMENDATIONS**

12.1 The Treasury Management Annual Report for 2013/14 be agreed.

12.2 The compliance with Prudential Indicators in 2013/14 be noted.

12.3 The saving of £2 million from capital financing activities in 2013/14 be noted.

## **13.0 REASON FOR RECOMMENDATIONS**

13.1 Wirral has adopted the CIPFA Code of Practice on Treasury Management ("the Code"), which includes regular reports to Members of treasury activity.

13.2 Under the Council Financial Regulations surplus resources are returned to General Fund Balance so are available to support other Council services.

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## **APPENDIX**

Prudential Indicators 2013/14.

## **REFERENCE MATERIAL**

DCLG Local Authority Investment Guidance 2004.

CIPFA Code of Practice for Treasury Management in Public Services 2011.

CIPFA Prudential Code for Capital Finance in Local Authorities 2011.

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet - Treasury Management and Investment Strategy 2013/2016	18 February 2013
Cabinet – Treasury Management Annual Report 2012/13	10 October 2013
Cabinet - Treasury Management Performance Monitoring	7 November 2013

## PRUDENTIAL INDICATORS 2013/14

## (a) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2013/14 to 2015/16 are shown in the table below:

Capital Financing Requirement	31/03/2014 Approved £m	31/03/2014 Actual £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m
General Fund	365.0	360.1	349.0	332.0

**Gross Debt and the Capital Financing Requirement:**

In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31/03/2014 Approved £m	31/03/2014 Actual £m	31/03/2015 Estimate £m	31/03/16 Estimate £m
Borrowing	217.3	216.9	204.0	197.0
Finance leases	0.1	0.1	0.0	0.0
PFI liabilities	55.6	55.1	53.0	51.0
<b>Total Debt</b>	<b>273.0</b>	<b>272.1</b>	257.0	248.0
<b>Borrowing in excess of CFR?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

Total debt is expected to remain below the CFR during the forecast period.

## (b) Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases and the Private Finance Initiative that are not borrowing but form part of the Authority's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

There were no breaches to the Authorised Limit and the Operational Boundary during 2013/14.

	Operational Boundary (Approved) 31/03/2014 £m	Authorised Limit (Approved) 31/03/2014 £m	Actual External Debt 31/03/2014 £m
Borrowing	345.0	355.0	216.9
Other Long-term Liabilities	80.0	85.0	55.2
<b>Total</b>	<b>425.0</b>	<b>440.0</b>	<b>272.1</b>

**(c) Upper Limits for Fixed and Variable Interest Rate Exposure**

These allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on the portfolio of investments.

Interest Rate Exposure	Fixed Rate of Interest	Variable Rate of Interest	Total
<b>Borrowings</b>	£217m	£0m	<b>£217m</b>
Proportion of Borrowings	100%	0%	<b>100%</b>
Upper Limit	100%	100%	
<b>Investments</b>	£24m	£34m	<b>£58m</b>
Proportion of Investments	41%	59%	<b>100%</b>
Upper Limit	100%	100%	
<b>Net Borrowing</b>	<b>£193m</b>	<b>£-34m</b>	<b>£159m</b>
Proportion of Total Net Borrowing	121%	-21%	<b>100%</b>

**(d) Maturity Structure of Fixed Rate Borrowing**

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

<b>Maturity structure of Fixed Rate Borrowing</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual Fixed Rate Borrowing as at 31 Mar 14</b>	<b>% of Fixed Rate Borrowing as at 31 Mar 14</b>
	<b>%</b>	<b>%</b>	<b>£m</b>	<b>%</b>
under 12 months	80	0	13	6
12 months and within 24 months	50	0	10	5
24 months and within 5 years	50	0	23	11
5 years and within 10 years	50	0	21	10
10 years and above	100	20	150	69
			<b>217</b>	<b>100</b>

**(e) Total principal sums invested for periods longer than 364 days**

This indicator allows the Council to manage the risk inherent in investments longer than 364 days and for 2013/14 the limit was set at £30 million.

As at 31 March 2014 the Council had £2 million of investments longer than 364 days, all with other Local Authorities.

**(f) Capital Expenditure**

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and in particular, to consider the impact on Council Tax. The projections for 2014/15 and 2015/16 were reported to Cabinet on 12 February 2014.

<b>Expenditure</b>	<b>31/03/14 Approved £m</b>	<b>31/03/14 Revised £m</b>	<b>31/03/14 Actual £m</b>	<b>31/03/15 Estimate £m</b>	<b>31/03/16 Estimate £m</b>
General Fund	37.5	35.9	<b>25.6</b>	48.2	17.5

Capital expenditure has or will be funded as follows:

<b>Capital Financing</b>	<b>31/03/14 Approved £m</b>	<b>31/03/14 Revised £m</b>	<b>31/03/14 Actual £m</b>	<b>31/03/15 Estimate £m</b>	<b>31/03/16 Estimate £m</b>
Capital receipts	3.1	3.7	<b>1.5</b>	3.0	3.0
Government Grants	25.6	19.9	<b>23.4</b>	24.2	7.7
Revenue and Reserves	0.9	1.6	<b>0</b>	0.3	0
Unsupported borrowing	7.9	10.7	<b>0.7</b>	20.7	6.8
<b>Total Funding</b>	<b>37.5</b>	<b>35.9</b>	<b>25.6</b>	<b>48.2</b>	<b>17.5</b>



**(g) Ratio of financing costs to net revenue stream**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The ratio is based on costs net of investment income.

<b>Ratio of Finance Costs to net Revenue Stream</b>	<b>2013/14 Estimate %</b>	<b>2013/14 Actual %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>
Ratio	8.36	7.96	10.01	11.3

**(h) Incremental Impact of Capital Investment Decisions**

This is an indicator of affordability that shows the impact of capital investment decisions on Council tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with the equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2013/14 Estimate £</b>	<b>2013/14 Actual £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>
Increase in Band D Council Tax	8.61	2.58	4.53	1.23

**(i) Adoption of the CIPFA Treasury Management Code**

This indicator demonstrates that the Authority adopted the principles of best practice.

<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
Council approved the revised Cipfa's Code of Treasury Management at its meeting of 5 March 2013

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## **Minute No.57 – Families and Wellbeing Policy and Performance Committee 8 April 2014**

### **Quality Assurance and Standards of Care Homes in Wirral' Scrutiny Report**

The Committee considered the report of the Members of the Care Homes Scrutiny Panel providing background information regarding the Final Report.

Members of the Panel had met a range of witnesses throughout the course of the Review and thanked all those who had assisted in the review by giving their time.

The Final Report, 'Quality Assurance and Standards of Care Homes in Wirral' was attached as an appendix to the report.

The Chair of the Panel, introduced the report indicating that the information on RAG rating detailed in the report highlighted that some of the homes were not fully compliant with the contracts, which was why the Committee wanted to look at this as an important issue.

The Chair indicated that the Panel had set out some detailed recommendations for the Department of Adult Social Services, some more challenging than others, but it was hoped that the outcome of the review and the Panel's recommendations would make a difference to those living within our residential homes.

Members of the Panel thanked the Chair and those colleagues, and also the Scrutiny Support Officer who had assisted with the review and the final collation of the report.

A Member of the Panel reported that as part of a previous review, standards in relation to the Wirral University Hospital were looked at and which were of a high quality, but commented that some private sector homes fell well below the standards expected for the residents of Wirral; the Member further indicated that the Panel had noted and praised the excellent work undertaken by the CCG and Quality Assurance team.

Within the findings of the review the Panel felt that more was needed to be done to encourage people to raise concerns regarding the care received at care homes.

Mr Graham Hodgkinson, Director of Adult Social Services thanked the Panel for their report and in response to Members comments, indicated that the quality of the sector was at present very mixed; the Quality Assurance Team had only been established by the Council for a short period therefore information they had gathered had been relatively recent.

Mr Hodgkinson stressed the importance of the role to be played by the elected Members feeding back information based on their observations and information received from their constituents.

In relation to staffing costs, Mr Hodgkinson indicated that the Department had a costing model which was used for each home for staffing, food etc; this included the

cost of living minimum wage which was paid to staff. In response to a Member, Mr Hodkinson indicated that the Department worked closely and consulted with all providers and the Care Home Association.

Mr Phil Jennings, Wirral CCG welcomed the report and indicated that the CCG had done some great work to date; and indicated that the CCG would be working alongside the Department of Adult Social Services on the recommendations detailed within the report and feedback to the Committee in due course.

**RESOLVED: That**

- (1) the contents and recommendations of the Scrutiny Report 'Quality Assurance and Standards of Care Homes in Wirral' be approved;**
- (2) the 'Quality Assurance and Standards of Care Homes in Wirral' Report be referred to the next appropriate Cabinet meeting;**
- (3) an update report regarding the progress being made towards the implementation of the recommendations be presented to this Committee in approximately one year; and**
- (4) The Chair, Panel Members, Officers and Alan Veitch, Scrutiny Support Officer be thanked for their excellent work in completing the review.**

# WIRRAL COUNCIL

## CABINET

7<sup>TH</sup> JULY 2014

<b>SUBJECT:</b>	<b>QUALITY ASSURANCE AND STANDARDS OF CARE HOMES IN WIRRAL - SCRUTINY REPORT</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>THE CHAIR OF THE CARE HOMES SCRUTINY PANEL</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides background information regarding the report of the Care Homes Scrutiny Review, which has been approved by the Families and Wellbeing Policy & Performance Committee and referred to Cabinet for further consideration.

### 2.0 BACKGROUND

- 2.1 At the meeting of the Families and Wellbeing Policy & Performance Committee held on 9<sup>th</sup> September 2013, Members discussed a report from the Director of Adult Social Services regarding the Quality Assurance Framework and Standards in Care Homes. The following minute was recorded:

*“The Committee considered the report of the Director of Adult Social Services which informed and updated Members on the role and functions of the Quality Assurance team within his Department, and the quality assurance framework and standards in care homes in Wirral.*

*The CQC essential standards framework and the quality assurance framework for monitoring visits were attached as appendices to the report.*

*The Chair suggested that the report be noted and that a Working Group be established to look at this issue in more detail and report back to this Committee at a future meeting.*

*In response to a Members suggestion, Mr Hodgkinson indicated that visits to care homes could be looked at by this group, working with Healthwatch to take this forward linking Ward Councillors with the community.*

*RESOLVED: That*

*(1) the report be noted; and*

*(2) a Working Group consisting of Councillors McLaughlin, Mooney, Hornby and Clements be established to look at the quality assurance and standards in care homes.”*

- 2.2 In defining the Scope for the Review, the Panel Members agreed that the key issues were:
- How is the quality of care homes in Wirral currently monitored and what processes are already in place, including the role of the Care Quality Commission (CQC)?
  - How are homes who are delivering care below the required standard identified?
  - What processes are in place to raise the quality of homes where necessary?
  - Could more be done to make working between health partners more effective?
  - What would be the most effective future arrangements for:
    - Reporting relevant performance / monitoring data to the Policy & Performance Committee?
    - Involving local Members in the monitoring of care homes in their ward?

### **3.0 EVIDENCE GATHERING AND REPORT**

- 3.1 The Members of the Scrutiny Panel met with a range of witnesses throughout the course of the Review, including Council officers, representatives of partner organisations and advocacy agencies, care home owners and managers. The final report was presented to the meeting of the Families and Wellbeing Policy & Performance Committee on 8<sup>th</sup> April 2014. The relevant draft minute from that meeting is:

*“The Committee considered the report of the Members of the Care Homes Scrutiny Panel providing background information regarding the Final Report. Members of the Panel had met a range of witnesses throughout the course of the Review and thanked all those who had assisted in the review by giving their time. The Final Report, ‘Quality Assurance and Standards of Care Homes in Wirral’ was attached as an appendix to the report.*

*The Chair of the Panel, introduced the report indicating that the information on RAG rating detailed in the report highlighted that some of the homes were not fully compliant with the contracts, which was why the Committee wanted to look at this as an important issue.*

*The Chair indicated that the Panel had set out some detailed recommendations for the Department of Adult Social Services, some more challenging than others, but it was hoped that the outcome of the review and the Panel’s recommendations would make a difference to those living within our residential homes.*

*Members of the Panel thanked the Chair and those colleagues, and also the Scrutiny Support Officer who had assisted with the review and the final collation of the report.*

*A Member of the Panel reported that as part of a previous review, standards in relation to the Wirral University Hospital were looked at and which were of a high quality, but commented that some private sector homes fell well below the standards expected for the residents of Wirral; the Member further indicated that the Panel had noted and praised the excellent work undertaken by the CCG and Quality Assurance team.*

*Within the findings of the review the Panel felt that more was needed to be done to encourage people to raise concerns regarding the care received at care homes.*

*Mr Graham Hodgkinson, Director of Adult Social Services thanked the Panel for their report and in response to Members comments, indicated that the quality of the sector was at present very mixed; the Quality Assurance Team had only been established by the Council for a short period therefore information they had gathered had been relatively recent.*

*Mr Hodgkinson stressed the importance of the role to be played by the elected Members feeding back information based on their observations and information received from their constituents.*

*In relation to staffing costs, Mr Hodgkinson indicated that the Department had a costing model which was used for each home for staffing, food etc; this included the cost of living minimum wage which was paid to staff. In response to a Member, Mr Hodgkinson indicated that the Department worked closely and consulted with all providers and the Care Home Association.*

*Mr Phil Jennings, Wirral CCG welcomed the report and indicated that the CCG had done some great work to date; and indicated that the CCG would be working alongside the Department of Adult Social Services on the recommendations detailed within the report and feedback to the Committee in due course.*

**RESOLVED: That**

**(1) the contents and recommendations of the Scrutiny Report ‘Quality Assurance and Standards of Care Homes in Wirral’ be approved;**

**(2) the ‘Quality Assurance and Standards of Care Homes in Wirral’ Report be referred to the next appropriate Cabinet meeting;**

**(3) an update report regarding the progress being made towards the implementation of the recommendations be presented to this Committee in approximately one year; and**

**(4) The Chair, Panel Members, Officers and Alan Veitch, Scrutiny Support Officer be thanked for their excellent work in completing the review”.**

#### **4.0 REFERRAL TO CABINET**

- 4.1 As agreed by the Families and Wellbeing Policy & Performance Committee, the Report of the Scrutiny Panel, which is attached as an appendix, has been referred to Cabinet for further consideration.

#### **5.0 RECOMMENDATIONS**

- (1) Cabinet is requested to support the contents and recommendations of the Scrutiny Report, 'Quality Assurance and Standards of Care Homes in Wirral';
- (2) Cabinet requests officers to develop an Action Plan to implement the recommendations contained within the report.

#### **Report of the Members of the Care Homes Scrutiny Panel:**

**Cllr Wendy Clements (Chair)**

**Cllr Mike Hornby**

**Cllr Moira McLaughlin**

**Cllr Bernie Mooney**





**QUALITY ASSURANCE AND STANDARDS OF CARE  
HOMES IN WIRRAL**

**SCRUTINY REVIEW**

“I keep saying to staff –  
If this was your mum is this what you’ll want”.  
(Care Home Manager)

*A report produced by*  
**THE FAMILIES AND WELLBEING  
POLICY & PERFORMANCE COMMITTEE**

**March 2014  
FINAL REPORT**

**WIRRAL BOROUGH COUNCIL**

**QUALITY ASSURANCE AND STANDARDS OF CARE HOMES IN  
WIRRAL**

**SCRUTINY REVIEW**

**FINAL REPORT**

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## 1. **INTRODUCTION**

At the meeting of the Families and Wellbeing Policy & Performance Committee, held on 9<sup>th</sup> September 2013, Members agreed to undertake a Scrutiny Review to investigate the Quality Assurance Framework and Standards in Care Homes. As a result, a Scrutiny Panel comprising four Members has held a series of meetings in order to obtain appropriate evidence.

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 provides contextual information and details the key findings of the Review along with the evidence gathered in support of the recommendations proposed by the Scrutiny Panel Members.

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

### **Key objectives for the Review:**

The key objectives for the Review were identified:

- how the quality of care homes in Wirral is currently monitored;
- The processes that are in place to raise the quality of homes where necessary.

### ***National and Local Context:***

The Government's Care Bill, published in May 2013 introduces fundamental changes to the social care sector. The Bill responded, in part, to serious failures in the care system, as evidenced by the events at Winterbourne View and the Francis Report, following the failures of Mid Staffordshire NHS Trust. Among other features, the Care Bill will introduce a reform of regulation of the care home sector to more vigorously hold service providers to account. The Care Bill is now moving towards the end of the parliamentary process with Royal Assent expected in the coming weeks.

Whilst the Care Bill will give greater powers to the national regulator of the care home sector, the Care Quality Commission (CQC), the passage of the Bill has coincided with a re-structuring of that organisation and the creation of a Chief Inspector of Adult Social Care. Among those reforms will be the introduction of specialist inspection teams for each of hospitals, care homes and primary care along with a more rigorous inspection framework. It is also intended that, by 2016, a national ratings system for adult social care services, including care homes, will be introduced.

The Care Quality Commission provides an annual report 'The state of health care and adult social care in England'. The most recent version, covering 2012/13 was published in November 2013. The report concluded:

*"There is still a huge amount for providers to do to make sure that all people are kept safe, treated with dignity and respect, and cared for in a way that meets their personal needs".*

In local context, there are approximately 3400 residents in care homes in Wirral. The Local Authority commissions all of its general residential and nursing care from the independent sector. Wirral Council has contracts with 108 nursing and residential homes in the borough, with further care homes providing services for self-funders only.

### ***The Monitoring Framework:***

There are three main organisations involved in the monitoring of the quality and safety of social care provision, namely the Care Quality Commission (CQC), DASS Quality Assurance (QA) Team and Healthwatch.

The CQC is the national independent regulator of all health and adult social care services in England, including those provided by the NHS, Local Authorities, private companies or voluntary organisations. The CQC registers hospitals, care homes, dentists, domiciliary care services and monitors them to ensure that they are meeting the essential standards. As the regulatory body for the registration of provision, they have a duty to monitor regulation compliance.

The current inspection regime requires 16 standards to be monitored. The CQC has a wide range of enforcement powers to take action on behalf of service users if those services are judged to be unacceptably poor, including the power to de-register services and close a care home if deemed necessary. During this Scrutiny Review, it was made clear to Members that the CQC are the regulator and, as such, inspect against regulations which set minimum standards. As stated above, the CQC are intending to implement a revised inspection regime, which will incorporate greater reliance on specialist and clinical input among inspectors, and a more rigorous inspection framework. Greater emphasis will also be placed on listening to the views of staff and residents in care homes.

Panel Members welcome CQC's changing approach to inspections, especially the proposal to move towards identifying and publishing ratings, which should help residents to choose between services and to encourage improvement in the quality of service.

At a local level, the DASS Quality Assurance Team is responsible for monitoring the standards and quality of care homes with whom the Council has contractual arrangements to place Local Authority funded clients. This currently amounts to 108 residential and nursing homes within the Borough. The Quality Assurance Team was created in April 2012 in order to proactively monitor service provision and identify poor quality homes at an earlier stage. The team also develops supportive measures, working with the owner and manager, to help those care homes to improve service and quality. In addition, the safety and welfare of the customers can be improved and safeguarded, where appropriate.

The Quality Assurance Team works to their recently amended inspection framework, separate from the CQC framework. During the last year, the Quality Assurance Team has introduced a RAG (Red, Amber, Green) rating for all care homes with which the Council places clients. This rating is used to identify the assessed quality of the provision. The Panel Members warmly welcome the approach currently being pursued by the Quality Assurance Team, including the drive towards delivering supportive measures to the providers. Members heard evidence from care home managers and partner organisations to suggest that significant progress has been made during the last year to both develop a more rigorous inspection framework and to develop processes which support homes to improve.

Healthwatch, the third element of the monitoring framework, must ensure that the views of people that use services are taken into account and influence the design and delivery of local services. Healthwatch is expected to complete evidence-based reports and recommendations to the commissioners and providers of health and social care provision. Healthwatch has the authority to undertake 'enter and view' visits to service providers on an unannounced basis as necessary.

### ***Current Standards:***

Members are not currently reassured that all homes are safe and offer care of high quality; nor that consistently good standard care is being achieved. Based on the Quality Assurance Team's RAG rating (Red 11, Amber 32, Green 65) 43 care homes out of a total 108 (40%) are not fully compliant. The evidence suggests that the standard in some homes is not good. This conclusion is not only supported by the RAG rating but also by the conclusions of some CQC inspections.

### ***Suggested Future Developments***

#### **Monitoring Framework**

Current DASS processes ensure that unannounced inspections are undertaken. However, concerns remain that the standards of care delivered to residents may vary at different times. Panel Members are therefore proposing that, in order to ensure a home maintains high standards at all times, inspections or visits should take place regularly and at varying times, including out-of-hours.

During the Review, the role of the Lead Nurse for Quality in Care Homes became apparent in providing clinical input to the Quality Assurance Team inspection process and in offering clinical advice and support to care home staff. However, it is noted that there is only one nurse to support the inspection of 108 homes. Evidence was gathered from a number of sources to suggest that increased capacity in this area would improve the monitoring and inspection capability but would also provide greater scope to give increased direct advice and support to care homes in order to drive up standards.

Key to identifying those homes which require additional assistance has been the introduction, by the DASS Quality Assurance Team, of the RAG rating system. Panel Members consider it important that, if possible, details of homes in categories for the RAG rating are placed into the public domain. This will demonstrate transparency, provide an incentive for homes to improve and should also assist people choosing a home as they would be more likely to be able to make properly informed decisions.

### The Council's Contractual relationship with care homes

It was acknowledged by officers that, in order to aid monitoring and consequently improve standards, there are benefits from the home care contract being as specific as possible. Panel Members propose that the standard contract should be reviewed on an annual basis to provide a general review point, giving the opportunity to include any learning points and changes to circumstances.

Throughout this Scrutiny Review, sources repeatedly emphasised the importance of leadership towards the success of a care home. It is, therefore, suggested that good practice guidance be introduced for care home managers. This will enable the Council's expectations to be publicised and good practice to be shared. It is anticipated that the guidance will be incorporated within contractual arrangements.

### Encouraging excellent standards and sharing good practice

An implication of the Francis Report for the whole of the health and social care sector was the demand for a change in the culture of care provided across the sector. The Chief Nursing Officer of NHS England refers to the 6 c's of nursing (namely: care, compassion, competence, communication, courage and commitment) in the Strategy for Nursing 'Compassion in Practice'. Members suggest that equivalent values are embedded within the care home contract in order to support the improvement in quality of care for residents. The Panel Members also propose that commissioning arrangements are reviewed, with regard to End of Life Care, in order to ensure that as many nursing homes as possible are able to provide such care to a high standard.

The Panel Members have concluded that potential residents can be further empowered to make the correct choice for them, when choosing a home, by guidance being available to enable appropriate questions to be asked to identify that high quality care is provided. Such advice and information could be made available on the Council's website.

During the Review, Panel Members were informed by care home managers that there was very little contact between managers of different homes and there was little opportunity to share good practice. As a consequence, the Panel Members are proposing that DASS facilitate a forum for care home managers to interact and share good practice.

### Feedback and Performance Monitoring

The Panel Members were told that there is sometimes reticence among residents, relatives and care home staff to report incidents for fear of retribution. Panel Members considered the options available to promote a confidential phone line to ensure that facilities are available if required. As discussed earlier, Healthwatch has a role to ensure that the views of service users are heard and to be an effective 'eyes and ears' of health and social care services. It is, therefore, suggested that all care homes with whom the Council has contracts are requested to show contact details for Healthwatch in a prominent place along with an explanation of Healthwatch's purpose.

Equally, Members suggest that more should be done to empower the public to take on a greater role as the "eyes and ears" in care homes. A prominent publicity campaign could be employed to promote this concept and develop a greater awareness of safeguarding issues among the public.

All councillors are representatives of their communities and are in an ideal position to provide a link to the communities which they represent and also reflect the views of constituents. It is therefore proposed that ward Members are encouraged to develop a strong working relationship with the contract manager in DASS and also with the managers, staff and residents of care homes in their wards.

Panel Members are keen to see effective performance indicators relating to care home monitoring to be developed and reported on a regular basis. It is also proposed that performance reporting to Members will be strengthened through regular reports to include the RAG data and a summary of recent CQC reports, particularly highlighting those where weaknesses have been identified.

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

## RECOMMENDATIONS

- \* Several of the following recommendations request action from the Director of Adult Social Services. Those marked \* denote that it is anticipated that the delivery of the recommendation will be via the joint health and social care commissioning processes.

### **Monitoring framework**

#### **Recommendation 1 – Out-of-hours inspections of care homes**

The Director of Adult Social Services (\*) is encouraged to increase the number of inspections of care homes that take place out-of-hours in addition to the unannounced visits which already take place.  
(Reference Section 9.1)

#### **Recommendation 2 – Clinical involvement in the inspection process**

Wirral Clinical Commissioning Group and the Director of Adult Social Services are urged to explore the feasibility of increasing the number of nurses available to support the inspection process. This increased resource will enable a strengthened role in providing advice to care homes and sharing good practice, for example, in relation to skin integrity. In return, ways in which the costs of the additional support could be recouped ought to be explored.  
(Reference Section 9.1)

#### **Recommendation 3 – Performance data in the public domain**

The Director of Adult Social Services (\*) is requested to consider the feasibility of placing RAG rating data into the public domain, subject to legal advice.  
(Reference Section 9.1)

#### **Recommendation 4 – Extend the acceptance of the RAG rating**

The Director of Adult Social Services (\*) is requested to ensure that the RAG rating is more widely used and accepted. For example, there is a need for all those partners placing clients in homes to be aware of the particular home's current status and that the necessary information is shared.  
(Reference Section 9.1)

#### **Recommendation 5 – Collaborative working between partners**

All partner organisations, including the Department of Adult Social Services, Wirral Healthwatch and the Care Quality Commission are encouraged to work more collaboratively. The increased sharing of information between partners is supported.  
(Reference Section 9.1)

### **The Council's contractual relationship with care homes**

#### **Recommendation 6 – Care home contract**

The Director of Adult Social Services (\*) and Wirral Clinical Commissioning Group are jointly requested to ensure that the contract with care homes is as specific as possible, ensuring that both social care and health aspects are adequately covered and its contents subject to an annual review.  
(Reference Section 9.2)

#### **Recommendation 7 – Good Practice guidance for care home managers**

The Director of Adult Social Services is requested to develop good practice guidance for care home managers, to be incorporated within contractual arrangements.  
(Reference Section 9.2)

#### **Recommendation 8 – Communication with care home owners**

In order to improve awareness of care home owners, the Director of Adult Social Services (\*) is requested to ensure that essential correspondence is copied to the home owner as well as the manager.  
(Reference Section 9.2)



## **Encouraging excellent standards and sharing good practice**

### **Recommendation 9 – Compassion in Practice**

In the Strategy for Nursing, 'Compassion in Practice', the Chief Nursing Officer of NHS England refers to the 6 c's of nursing (namely: care, compassion, competence, communication, courage and commitment). In light of the Francis Report and the demand to change the culture of care, the Director of Adult Social Services (\*) is requested to consider how best to embed that ethos within the care home contract.

*(Reference Section 9.3)*

### **Recommendation 10 – End of Life Care**

In order to demonstrate the Council's commitment to the National Strategy on End of Life Care, the Director of Adult Social Services is requested to review commissioning arrangements with the Clinical Commissioning Group. The intention is to standardise the provision of End of Life Care, while encouraging nursing homes to aspire to the Gold Standard.

*(Reference Section 9.3)*

### **Recommendation 11 – Choosing a good quality home**

The Director of Adult Social Services is requested to develop an advice and information guide to assist in choosing a good quality home. Indicators of quality will include, for example, a demonstration of working towards the principles of the Ethical Care Charter, adherence to the culture of Compassion in Practice and aspiration for the Gold Standard for End of Life Care.

*(Reference Section 9.3)*

### **Recommendation 12 – Forum for Care Home Managers**

In order to encourage excellent status homes to share good practice with others, the Director of Adult Social Services is requested to facilitate a Forum or platform for care home managers to interact and share good practice.

*(Reference Section 9.3)*

### **Recommendation 13 – Encourage the wider use of the 'This is Me' passport**

The Director of Adult Social Services (\*) is requested to consider the practicalities of using the contract provisions to encourage care homes to employ wider use of the 'This is Me' passport for people with communication difficulties and to develop standardised health and social care documentation across all providers on Wirral to assist in accurate information transfer between health and social care settings.

*(Reference Section 9.3)*

## **Feedback and Performance Monitoring**

### **Recommendation 14 – Publicity for Healthwatch**

In order to enable greater feedback from service users, the Director of Adult Social Services will ensure that all care home providers will display, in a prominent position, contact details for Healthwatch. This requirement will be incorporated within the care home contract.

*(Reference Section 9.4)*

### **Recommendation 15 – Raising awareness of the public – Safeguarding**

The Director of Adult Social Services and the Head of Communications and Community Engagement are requested to develop a publicity campaign to empower the public to be the "eyes and ears" regarding the quality and standards in care homes; every person visiting a care home having a responsibility to be those 'eyes and ears'.

*(Reference Section 9.4)*

**Recommendation 16 – Establish relevant performance indicators on the dashboard**

The Director of Adult Social Services is requested to ensure that relevant performance indicators are established on the performance dashboard, reported to the Policy & Performance Committee, to ensure visible monitoring of quality in care homes. This could include the numbers of care homes categorised by the RAG rating.

*(Reference Section 9.4)*

**Recommendation 17 – Provision of performance data to Members**

The Head of Policy & Performance / Director of Public Health is requested to include the monitoring of care home quality within the remit of the proposed Health Performance Monitoring Panel. This will enable care home performance issues to be raised with elected Members by the Director of Adult Social Services. A summary of recent CQC reports will also be made available, particularly highlighting those where weaknesses have been identified. Social Care Managers are also requested to make relevant data available to Constituency meetings.

*(Reference Section 9.4)*

**Recommendation 18 – The relationship between local Members and care homes**

The Director of Adult Social Services is requested to provide local Members with a list of care homes in each ward. As part of the process to develop “eyes and ears”, Members are encouraged to develop a relationship with the contract manager as well as managers, staff and residents of care homes in their ward. Members and MPs will also be informed of concerns with care homes within their area (such as a RAG rating of RED or where a Strategic Review has occurred).

*(Reference Section 9.4)*

### 3. MEMBERS OF THE SCRUTINY PANEL

#### ***Councillor Wendy Clements (Chair)***



Wirral desires to be a place where the vulnerable are safe and protected and where an excellent quality of life is within the reach of everyone who lives here. The Families and Wellbeing Policy and Performance Committee established this Scrutiny Panel to examine the care received by some of our most vulnerable residents. We thank all the people who came to speak to us and help us in our task, sharing generously of their experience and views of the sector. There is evidently much good work underway to improve standards by the DASS Quality Assurance Team and the

Clinical Commissioning Group, and some excellent provision is available within Wirral. Unfortunately the Panel also has real concerns that some of our most vulnerable residents are not well served by the homes responsible for their care.

The Panel wants to highlight the responsibility we all have to speak up about any concerns we have over the care provided in homes across Wirral. This responsibility belongs to elected Members, council employees and the general public who may be visiting local care homes. Many of our recommendations are related to recognising what is good and celebrating it. If every reader of this report took on the challenge to be the eyes and ears of our community and the work of the Quality Assurance team continues to go from strength to strength then I believe we can make a real difference to the lives of vulnerable people.

#### ***Councillor Moira McLaughlin***



When we are in need of care and at our most vulnerable, we should be able to trust that those giving that care are working to the highest standards and that we will be safe.

In undertaking this review of the standards in Wirral's care homes, the members of the Families and Wellbeing Policy and Performance panel sought to be re-assured, and through us, Wirral residents, that, in general, the quality of care being delivered in the homes would inspire that trust. Unfortunately, after our investigation, we have concluded that, though excellent work is being done by the Department of Adult Social Services and Clinical Commissioning Group Quality Assurance Team and a number of care homes to bring about improvement, there is still a long way to go before we can say that all homes are providing good care.

We hope that the review will significantly contribute to improving those care homes that need to be improved, and help those homes which do achieve excellent standards to be recognised, and that they are able to share their expertise. We hope, also, that it will increase the awareness of friends, families and elected representatives to the fact that they can be the eyes and ears of us all, in reporting poor practice and good, and the voice of those people in the care homes who may not be able to say when things aren't right.

### ***Councillor Mike Hornby***



This has been the second Scrutiny Review for me in quick succession with the “Francis” Review only completing in January. Therefore I feel that I can make a few observations comparing the two in very general terms.

Although we interviewed a large number of people in each Review, when reviewing Care Homes I felt that we had difficulty extracting all the information I would have wished. This was particularly so in the case of Owners/managers. Those who did make themselves available were helpful but we still have no idea about the large majority.

I believe that a further review is needed. This should give additional help and support to DASS and other agencies whose work has to be praised in what must be, at times, trying circumstances.

### ***Councillor Bernie Mooney***



Ageing with dignity is a basic right for all but also being secure in the fact that if needed we will be cared for is also fundamental as we age. We need to be secure in the knowledge that as we become vulnerable we will be able to find the highest level of care and that our relatives will have confidence and trust in the service provided.

The Families and Wellbeing Policy and Performance Committee concluded that this assurance could not be guaranteed in all of our Wirral homes and asked for a review to be undertaken.

During our investigation we have spoken to some of the most dedicated people who do excellent work in providing care for the elderly. Also the Department for Adult Social Services and Clinical Commissioning Group Quality Assurance Team along with a number of care providers are working to bring about improvements. However there are challenges to face and improvements to make if we can confidently say that all care homes in Wirral are providing good care.

The task and finish review team hope that the report will contribute to the improvement of standards and that it will provide guidance for all who are involved with the care of the vulnerable in our society. We also recognise that it is the responsibility of every resident of Wirral to ensure that we can be confident in the level and standard of care offered to all who need it.

### **This Scrutiny Panel was supported by:**

Alan Veitch  
Scrutiny Support Officer  
0151 691 8564  
[alanveitch@wirral.gov.uk](mailto:alanveitch@wirral.gov.uk)

#### 4. BACKGROUND AND ORIGINAL BRIEF

At the meeting of the Families and Wellbeing Policy & Performance Committee held on 9<sup>th</sup> September 2013, Members discussed a report from the Director of Adult Social Services regarding the Quality Assurance Framework and Standards in Care Homes. The following minute was recorded:

*“The Committee considered the report of the Director of Adult Social Services which informed and updated Members on the role and functions of the Quality Assurance team within his Department, and the quality assurance framework and standards in care homes in Wirral.*

*The CQC essential standards framework and the quality assurance framework for monitoring visits were attached as appendices to the report.*

*The Chair suggested that the report be noted and that a Working Group be established to look at this issue in more detail and report back to this Committee at a future meeting.*

*In response to a Members suggestion, Mr Hodkinson indicated that visits to care homes could be looked at by this group, working with Healthwatch to take this forward linking Ward Councillors with the community.*

*RESOLVED: That*

*(1) the report be noted; and*

*(2) a Working Group consisting of Councillors McLaughlin, Mooney, Hornby and Clements be established to look at the quality assurance and standards in care homes.”*

The Scope Document for the Scrutiny Review is attached as Appendix 1 to this Report. Key questions listed in the Scope document are:

- How is the quality of care homes in Wirral currently monitored and what processes are already in place, including the role of the Care Quality Commission?
- How are homes who are delivering care below the required standard identified?
- What processes are in place to raise the quality of homes where necessary?
- Could more be done to make working between health partners more effective?
- What would be the most effective future arrangements for:
  - Reporting relevant performance / monitoring data to the Policy & Performance Committee?
  - Involving local Members in the monitoring of care homes in their ward?

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

The Panel has employed the following methods to gather evidence:

### 5.1 **Meetings**

A series of individual meetings has taken place at which the Scrutiny Panel Members could discuss relevant issues with the following:

- Monday 14<sup>th</sup> October 2013  
Jacqui Evans (Head of Transformation, Department of Adult Social Services, Wirral Borough Council)  
Amanda Kelly (Senior Manager - Market Transformation and Contracts, Department of Adult Social Services, Wirral Borough Council)
- Tuesday 5<sup>th</sup> November 2013  
Amanda Kelly (Senior Manager - Market Transformation and Contracts, Department of Adult Social Services, Wirral Borough Council)  
Val Tarbath (Designated Nurse / Manager for Safeguarding Adults, NHS Wirral Clinical Commissioning Group)
- Monday 11<sup>th</sup> November 2013  
Karen Prior (Manager, Wirral Healthwatch)
- Monday 11<sup>th</sup> November 2013  
Val Tarbath (Designated Nurse / Manager for Safeguarding Adults, NHS Wirral Clinical Commissioning Group)
- Monday 25<sup>th</sup> November 2013  
David Wakefield (Manager, Victoria House Care Home, Church Street, Egremont)
- Tuesday 3<sup>rd</sup> December 2013  
Helena Dennett (Compliance Manager for Cheshire West, Chester and Wirral, Care Quality Commission)  
Sally Derbyshire (Lead Inspector, Care Quality Commission)
- Tuesday 3<sup>rd</sup> December 2013  
Bernie O'Neill (Manager, St Georges Care Home, Liscard)
- Tuesday 3<sup>rd</sup> December  
Lawson Stebbings (Director, Wirral Care Homes Association and Chief Executive, Elderhome Nursing Home)  
Heather Ward (Matron, Elderholme Nursing Home)  
Vic Oakden (Director, Wirral Care Homes Association and Owner of Pensby Hall Residential Home)
- Friday 6<sup>th</sup> December 2013  
Susan Cassapi (Advocacy Service Manager, WIRED)  
Pat Lloyd (Information and Advice Manager, Age UK)  
Sandra Wall (Chair, Wirral Older People's Parliament)  
Sue Newnes (Manager, Wirral Alzheimer's Society)
- Tuesday 10<sup>th</sup> December 2013  
Helen Duncan (Manager, The Pines Care Home, Bidston)

### 5.2 **Written Evidence**

The Review was also informed by written evidence including committee reports, Government documents and briefing papers from officers.

## **6. NATIONAL AND LOCAL CONTEXT**

### **6.1 National Context**

This Scrutiny Review takes place against a backdrop of care standards being a regular feature in the national news. 'Transforming care: A national response to Winterbourne View hospital', released in December 2012, was a Department of Health response to events at Winterbourne View, a private hospital registered for the provision of assessment, treatment and rehabilitation for people with learning disabilities.

Eleven former staff pleaded guilty to criminal abuse at Winterbourne View and six received custodial sentences. This behaviour is at the extreme end of service failure, but investigations into Winterbourne View and other hospitals for people with learning disabilities and challenging behaviour found many examples of poor quality care. The report identified that inappropriate care is often provided for children, young people and adults with learning disabilities or autism who also have mental health conditions or challenging behaviour. However, there were also ramifications for the care of vulnerable older people, such as people with dementia in other care settings.

In June 2010, Robert Francis QC was asked by the Secretary of State for Health to undertake a public inquiry into the failures of Mid Staffordshire NHS Foundation Trust. The Francis Report was published in February 2013. In November 2013, the Government formally responded to the Francis Report, accepting the vast majority of the 290 recommendations, placing particular emphasis on compassion and care for patients; culture and standards of care; openness and transparency; and the importance of leadership in an organisation. Again, there were implications across the health and social care sector.

July 2012 had seen the publication of the 'Caring for our Future: Reforming Care and Support' White Paper. The White Paper outlined the vision for a reformed care and support system; one that would:

- focus on people's wellbeing and support them to stay independent for as long as possible
- introduce greater national consistency in access to care and support
- provide better information to help people make choices about their care
- give people more control over their care
- improve support for carers
- improve the quality of care and support
- improve integration of different services

The Care Bill was published in May 2013, introducing legislation to provide protection and support to the people who need it most and to take forward elements of the government's initial response to the Francis Inquiry. An aim was to give people peace of mind that they will be treated with compassion when in hospital, care homes or their own home. Accompanying this aim is a reconfiguration of regulation and transparency to more vigorously hold service providers to account.

The Care Bill also brings together existing care and support legislation into a new, modern framework and builds the system around people's wellbeing and needs. It sets out new rights for carers, emphasises the need to prevent and reduce care and support needs, and introduces a national eligibility threshold for care and support. It introduces a cap on the costs that people will have to pay for care and sets out a universal deferred payment scheme so that people will not have to sell their home in their lifetime to pay for residential care. The Care Bill is now moving towards the end of the parliamentary process with Royal Assent expected in the coming weeks.

Coinciding with the passage of the Care Bill has been a re-structuring of the Care Quality Commission and the creation of a Chief Inspector of Adult Social Care. The first appointee, Andrea Sutcliffe, has launched 'A Fresh Start for the Regulation and Inspection of Adult Social Care'. The document sets out the priorities for the inspection regime, focusing on:

- The introduction of a ratings system for care home and adult social care services by March 2016 to help people make informed decisions about their care;
- From April 2015 and subject to the Care Bill becoming law, CQC will monitor the finances of an estimated 50 to 60 care providers that would be difficult to replace if they were to go out of business;
- CQC will take a tougher stance when registering care services by ensuring that those who apply to run them have the right values, motives, ability and experience. Also, CQC is committed to taking tougher action against services that do not have registered managers in place;
- Separate inspection teams will, in future, focus on each of hospitals, care homes and primary care services, providing greater specialist insight. This is in contrast to the past when general inspection teams could inspect hospitals, care homes and primary care services;
- CQC will encourage those providing care in residential homes to explore how they can be involved in the local community and will work with Healthwatch to get its views on care homes locally.

The Care Bill will also require Local Authorities to provide comprehensive information and advice on all care and support services in their local area, how the services work, and how to access them. They will also be required to produce market position statements.

The Care Quality Commission provides an annual report, 'The state of health care and adult social care in England. The most recent version, covering 2012/13 was published in November 2013. It is based on the 35,000 inspections carried out in the year up to 31<sup>st</sup> March 2013. The report concluded:

*"There is still a huge amount for providers to do to make sure that all people are kept safe, treated with dignity and respect, and cared for in a way that meets their personal needs".*

The report identified that one in five nursing home inspections revealed safety concerns and ongoing staffing pressures. Overall, nursing homes continued to lag behind other social care settings in terms of quality and safety of care. Meanwhile, with regard to residential care homes, more than 10% of inspections uncovered problems with safeguarding and safety, staffing, or the care and support received by residents. In analysing the notifications of deaths that care providers send to CQC, a link was found with higher staff turnover rates. This suggests that too many changes in staff may result in gaps in care.

The total number of adult social care providers registered with CQC rose by 2% in 2012/13, from 12,429 to 12,670. Continuing the trend of the previous two years, the number of residential care homes (that is, those that do not provide nursing care) registered with CQC continued to decline, from 13,134 at the end of 2011/12 to 12,848 at the end of 2012/13, a drop of 2%. Similarly, the number of residential care home beds (declared at the point of registration) went down from 247,824 to 244,232. The number of registered nursing homes was static, with 4,664 homes registered at the year end compared with 4,672 at the end of 2011/12. The number of nursing home beds rose, though, from 215,463 to 218,678. In contrast to the decline of residential care home provision, the strong growth in home care continued the long-term trend towards people living in their own homes and communities rather than going into a care home.



## **6.2 Local Context**

There are approximately 3400 residents in care homes in Wirral. Wirral Council has contracts with 108 nursing and residential homes in the borough, with further care homes providing services for self-funders only. The Council commissions all of its general residential and nursing care from the independent sector.

It is reasonable to assume that, in line with national trends and the developing strategies of joint working between health and social care to ensure better care in the community, the number of people in care homes in Wirral will reduce. As a result, it is possible that the care home market would shrink. The Panel Members hope that the increasing rigour around rating the provision will provide the commissioners with opportunities to reduce contracts in homes not offering the highest quality of service.

The Panel Members heard conflicting views regarding funding of care homes including a view that cost is a key factor in quality. However, Members were also told of local research which found no correlation between the level of fees charged and the standard of care provided by the care home. When finalising the Scope for this Scrutiny Review, Members agreed to focus on the quality assurance processes and therefore no further comment on funding will be made in this Report.

## 7. THE MONITORING FRAMEWORK

There are three main organisations involved in the monitoring of the quality and safety of social care provision, namely the Care Quality Commission (CQC), DASS Quality Assurance (QA) Team and Healthwatch.

### 7.1 The Care Quality Commission (CQC)

The Care Quality Commission (CQC) is the national independent regulator of all health and adult social care services in England, including those provided by the NHS, Local Authorities, private companies or voluntary organisations. The CQC registers hospitals, care homes, dentists, domiciliary care services and monitors them to ensure that they are meeting the essential standards. As the regulatory body for the registration of provision, they have a duty to monitor regulation compliance on a 3 yearly basis (unless concerns are raised), unlike the Council who have the responsibility for duty of care. There are currently 12 inspectors covering Cheshire West, Chester and Wirral.

The CQC has a wide range of enforcement powers to take action on behalf of service users if those services are judged to be unacceptably poor, including the power to de-register services and close a care home if deemed necessary. In this case there is likely to be a time delay as a tribunal will be held following a notice to cancel registration, during which time the home can continue to operate.

The current inspection regime requires 16 standards to be monitored. The inspection of the provider's service, which is made publicly available on the CQC website, results in one of three judgements:

- All standards were being met when we inspected the service
- At least one standard in this area was not being met when we inspected the service and we required improvements
- At least one standard in this area was not being met when we inspected the service and we have taken enforcement action

During this Scrutiny Review, it was made clear to Members that CQC are the regulator and, as such, inspect against regulations, set out in the Health and Social Care Act. CQC is not responsible for writing action plans. It is the responsibility of the provider, supported by the Local Authority, to produce action plans if they see fit to do so. After a period of time, the home will be re-inspected and, if there has not been an improvement, a decision will be made on what further action, if any, should be taken. This could include the issue of warning notices or fixed penalty notices. It was stressed to Members that the provider has a clear responsibility to ensure quality. There is strict guidance for providers to monitor their own organisation. Members were informed:

*"It is not the responsibility of CQC to ensure that care homes improve to 'gold standard'. We will encourage them to improve but ultimately it is their responsibility".*

Subsequent to the Francis Report and the events at Winterbourne View, and further to national criticism of its role and methods of operation, the CQC has undergone a strategic review of its organisation and processes. From 1<sup>st</sup> April 2014, the organisation for CQC will be based on three directorates, namely, Hospitals; Social Care; Primary Medical Services. Each directorate will be headed by a Chief Inspector. Separate inspection teams will, in future, focus on each of these areas, providing greater specialist insight. This is in contrast to the past when general inspection teams could inspect hospitals, care homes and primary care services.

The CQC are also placing greater emphasis on surveillance, compiling data and evidence from both national and local sources. There is, therefore, evidence of the CQC attempting to develop stronger relationships with organisations such as the Council's Department of Adult Social Services, Healthwatch, Clinical Commissioning Groups and Quality Surveillance Groups in order to build up greater local intelligence. The CQC also aims to use information available from scrutiny committees to support their inspection process, especially feedback from local residents. Recommendation 47 of the Francis Review states that 'CQC should expand its work with overview and scrutiny committees and foundation trust governors as a valuable information source'. Furthermore, the recent Scrutiny

Review undertaken by a Panel of Wirral Members relating to the Implications of the Francis report for Wirral agreed the following recommendation:

*“The Head of Policy & Performance / Director of Public Health is requested to develop a mechanism to enable members of the Families and Wellbeing Policy & Performance Committee to establish an effective working relationship with the Care Quality Commission (CQC).”*

The Members of the Care Homes Scrutiny Panel fully endorse this approach. In a new departure, the CQC are now encouraging Local Authority scrutiny committees to develop a relationship whereby dialogue exists between the two organisations, with regular informal contact and Chairs feeling able to “pick up the phone”. It is anticipated that health scrutiny committees will also make greater use of information from the CQC’s inspection activity. Equally, information gathered by health scrutiny about resident’s experiences of the local health and care system and of individual services should be shared with the CQC. The challenge is to ensure that the relationship between CQC and scrutiny committees “is a two-way street”.

The intention is for the CQC to use intelligence to decide when, where and what to inspect. The new approach to inspections is evidenced by the inspection teams including greater clinical input and inspectors will be expected to use professional judgement. It is intended that more inspectors will be recruited to provide bigger teams and more expert staff. Greater emphasis will also be placed on listening to the views of staff and residents in care homes.

Five areas of quality and safety are embedded within the new approach to inspections:

- Are services safe?
- Are they effective?
- Are they caring?
- Are they well-led?
- Are they responsive to what people tell them?

It is intended that, as the new inspection regime is rolled out, performance ratings for all establishments will be published. However, the final form of the ratings has not yet been finally agreed, although initial thinking is that providers will be judged as:

- Outstanding
- Good
- Requires improvement
- Inadequate

Panel Members welcome CQC’s changing approach to inspections, especially the proposal to move towards identifying and publishing ratings, which should help residents to choose between services and to encourage improvement in the quality of service.

It is worth noting that CQC does not currently have the powers to inspect Local Authority Social Service Departments; as Ofsted does with Children’s Service Departments. It is also noted that CQC does not investigate individual complaints, which is the role of the Local Authority. If a safeguarding issue is raised with the CQC as the primary source, CQC will issue a safeguarding alert, by which the Local Authority is notified.

## **7.2 DASS Quality Assurance Team**

The Quality Assurance Team was created in April 2012, following the Safeguarding Peer Challenge, where it was recognised that through proactive monitoring of services poor quality services could be recognised at an earlier stage and development needs of the provision identified with the owner. In addition, the safety and welfare of the customers could be improved and safeguarded, where appropriate. Monitoring of these services, prior to the establishment of the Quality Assurance Team was reactive, focusing primarily on safeguarding concerns. It is estimated that 50% of the safeguarding alerts that are received, approximately 35 new cases a week by DASS, relate to concerns within a commissioned provider. In the first year of implementation of proactive monitoring

visits it was also identified that there were a large number of providers whose service was not meeting either the CQC essential standards or Wirral Council contractual standards. These services then require further scrutiny by the Quality Assurance Team to ensure that identified improvements are made.

The Quality Assurance Team is a joint development with health partners. The integrated team consists of 1 Manager, 7 Quality Assurance Officers and 1 Lead Nurse for Quality across the Residential and Nursing sector. In the first year of implementation the Quality Assurance Team assessed the quality of the Nursing and Residential provision. All establishments registered for this provision were visited and monitored against the quality framework developed by the team. In addition, they responded to approximately 35 safeguarding alerts per week, relating directly to care provision.

Wirral Council commissions all of its general residential and nursing care from the independent sector. DASS has a responsibility to monitor the quality and standards only of those homes who are commissioned to provide services to the Council. This is unlike the CQC which has a responsibility to regulate and inspect all registered providers. Therefore, those homes whose clients are self-funders only will be inspected by the CQC but not by the Local Authority. In addition, Healthwatch does also have authority to undertake Enter & View visits in Care Homes where NHS services are provided.

The Quality Assurance team carries out checks on care homes using the QA Monitoring framework. The framework ensures that specific standards are met, based on a basic level of care. In the future, there is an intention to raise standards by focusing increasingly on good quality of care. During the course of this Scrutiny Review, the framework was shared with Members as part of the evidence gathering. Evidence shows that the Quality Assurance Team are also inspecting homes more frequently than was previously the case.

Following the inspection, if the home is not compliant, the Framework form is provided to the provider. The QA team will produce an Action Plan, which sets out what is wrong, what has to improve and by when. Follow-up meetings are held to ensure that the Action Plan is implemented. The Local Authority has the option to suspend a care home, which means that for the duration of the suspension no new clients will be placed in the home. If a home is suspended, all those organisations who place clients will be informed, for example, North West Region Local Authorities, DASS, health providers such as hospitals, hospices. However, it is not possible to stop homes from taking in new residents if those clients are self-funders. In the past, suspension has been used sparingly by the Local Authority although there have been more in recent months.

A revised inspection process has been recently designed by the Quality Assurance Team. It has been developed through the involvement of professionals, families and providers. As providers already have to complete self-assessments for other organisations, DASS will be introducing an element of self-assessment to the process. During the inspection, more time will be focused on the outcomes for residents, for example, speaking to residents and staff, with the primary question being "what is it like to receive a service from this provider?" Checks will also be sustained throughout the year. In the future, it is intended to work increasingly in partnership with other agencies, for example, health & safety.

During the last year, the Quality Assurance team has introduced a RAG (Red, Amber, Green) rating for all care homes with which the Council places clients. This rating is used to identify the assessed quality of the provision. The ratings equate to Red meaning non-compliant; Amber partially compliant; and Green fully compliant. Each Provider is assessed on a multi agency level taking into consideration information from the Quality Assurance Team, DASS operational and complaints teams, health commissioners, CQC, Healthwatch, Merseyside Fire and Rescue, Infection Control and the Health and Safety Executive. The judgment of status is carried out through the RAG Panel meetings held monthly. This enables the Quality Assurance Team to identify and focus on poor quality services while monitoring in accordance with the risk identified. The aim of which is to reduce safeguarding concerns and start to proactively monitor.

Members heard evidence that there appears to be a discrepancy between the two inspection regimes operated by the Quality Assurance Team and CQC. The different approaches demonstrate the distinctive roles as a commissioner and a regulator respectively. Members were informed that a care home in Wirral may not be just inspected by Wirral Council but also by any other Local Authority who place residents at the home. This could give rise to multiple inspections. Members were also informed that each alternative assessment prioritises different demands, leading a care home owner to conclude that:

*“Owners want one very, very rigorous inspection”.*

Currently, the CQC focuses on specific regulations and monitors minimum standards to ensure that the regulations are being met. However, the Quality Assurance framework has been updated to place greater emphasis on care standards, other than environmental factors. The contrasting frameworks can therefore give rise to alternative views of a service with, for example, the CQC reporting that all standards have been met whereas this may not be the case with the Quality Assurance inspection, based on a higher level of standards. As a result, Panel Members were informed of cases where the DASS Quality Assurance team has found issues but CQC have found the home compliant. The contrasting regimes resulted in one care home manager commenting:

*“It is difficult to understand how CQC can inspect a home and then QA come in and say that this and that have not been done”*

Members warmly welcome the approach currently being pursued by the Quality Assurance Team, including the drive towards delivering supportive measures to the providers. Members heard evidence that the new approach was delivering benefits. A representative of a partner organisation commented:

*“There is now greater confidence than 6 months ago that DASS is putting processes into place but not in a tick-boxing way. The process is still in development but improving”.*

A series of comments from care home managers provide evidence of progress:

*“During the initial period, I had to put a lot of paperwork in place and would have struggled without the support of QA and CQC. In particular, QA was very supportive in moving in the right direction”.*

*“The DASS process provides continuity of officer, which enables improvements to be identified and acted upon. The DASS process is more flexible and targets areas that can be improved quickly”.*

*“The biggest factor in developing towards a good home and maintaining that status is to keep homes under regular review. Although it can create lots of paperwork it keeps us up to standards”.*

*“There is an equally positive relationship with DASS QA and CQC. Neither are seen as a threat. If they find anything we can deal with it and we strive to make things better”.*

*“The best way to achieve improvement in standards is for homes to open up and become less defensive. The QA team will help if they are given the opportunity”.*

However, challenges remain to gain the confidence of more care home managers:

*“The QA team spends lots of time and energy with providers who do not want to improve and are very defensive towards the QA team; whereas other homes want help and support to change”.*

### 7.3 Healthwatch

Wirral Healthwatch is an independent consumer champion, responsible for gathering and representing public views. Healthwatch must ensure that the views of people that use services are taken into account and influence the design and delivery of local services. Healthwatch is expected to complete evidence-based reports and recommendations to the commissioners and providers of health and social care provision. The role includes:

- Providing a complaints advocacy service
- Undertaking 'enter and view' visits to service providers on an unannounced basis as necessary
- Reporting concerns to the Care Quality Commission
- Serving on the Health and Wellbeing Board

It is therefore essential that Healthwatch has strong relationships with partner organisations to ensure that it acts as an effective 'eyes and ears' of health and social care services. Employing a small number of staff, the resources of Healthwatch are supplemented by the inclusion of approximately 50 active volunteers.

Healthwatch has a statutory right to undertake 'enter and view' visits of health service providers ranging from Wirral University Teaching Hospital to independent care homes. DASS is increasingly working in collaboration with Healthwatch to establish themes of concern and priorities for visits. . The aim is for Healthwatch to provide qualitative reports, based on hearts & minds relating to resident's experience. Healthwatch also provide an important link to homes with which the Local Authority does not contract, as they are able to inspect any registered provider.

The recent Scrutiny Review undertaken by a Panel of Wirral Members relating to the 'Implications of the Francis report for Wirral' agreed the following recommendation:

*"The Head of Policy & Performance / Director of Public Health is requested to develop a protocol between Healthwatch and health scrutiny in order to encourage collaborative and effective joint working. The protocol will be in place by the commencement of the 2014/15 municipal year".*

The Members of the Care Homes Scrutiny Panel fully support this approach.

## 8. A COMMENT ON QUALITY

Members are not currently reassured that all homes are safe and offer care of high quality; nor that consistently good standard care is being achieved. Based on the Quality Assurance Team's RAG rating (Red 11, Amber 32, Green 65) 43 care homes out of a total 108 (40%) are not fully compliant.

<b>RAG Count</b>	<b>12.08.13</b>	<b>09.09.13</b>	<b>07.10.13</b>	<b>04.11.13</b>	<b>02.12.13</b>	<b>21.01.14</b>	<b>03.03.14</b>
<b>Red</b>	<b>9</b>	<b>14</b>	<b>14</b>	<b>12</b>	<b>8</b>	<b>11</b>	<b>11</b>
<b>Amber</b>	<b>35</b>	<b>30</b>	<b>33</b>	<b>34</b>	<b>28</b>	<b>27</b>	<b>32</b>
<b>Green</b>	<b>64</b>	<b>64</b>	<b>61</b>	<b>62</b>	<b>72</b>	<b>70</b>	<b>65</b>
<b>Total</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>Suspensions</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>

There has been a change in approach towards proactive monitoring (as opposed to previous predominantly reactive response to issues such as safeguarding) and officers are clearly working hard to deliver that process. However, the evidence suggests that the standard in some homes is not good. This conclusion is not only supported by the RAG rating, but by the conclusions of some CQC inspections.

## 9. SUGGESTED FUTURE DEVELOPMENTS

### 9.1 Monitoring Framework

Current DASS processes ensure that unannounced inspections are undertaken. However, concerns remain that the standards of care delivered to residents may vary at different times, for example, staffing levels may be adequate during daytime on weekdays but this may not be the case during evenings and nights or at weekends. It was suggested that one way to ensure that a home maintains high standards is for them to be inspected or visited regularly and at varying times. Members received comments from professionals such as:

*“Inspection out-of-hours would be illuminating”.*

#### **Recommendation 1 – Out-of-hours inspections of care homes**

The Director of Adult Social Services (\*) is encouraged to increase the number of inspections of care homes that take place out-of-hours in addition to the unannounced visits which already take place.

During the Review, the role of the Lead Nurse for Quality in Care Homes became apparent. As the commissioning of care home places is increasingly a joint social care and health priority, there is a key function played by the Clinical Commissioning Group (CCG) in providing the lead nurse to support the care home monitoring and inspection process. Until the Lead nurse for Quality in care homes was appointed no basic health care checks were covered. Evidence emerged that there is a need for clinical checks to be done by people with those skills and training. Staff on the ground greatly welcome that there is a clinical opinion available to work alongside DASS. The nurse is often asked by both the DASS Quality Assurance team and care home staff for clinical advice and support, for example, with regard to pressure ulcers or medication administration, and so. Support is also available with signposting to other services and requests can be made for more specialist advice and support for the homes from CCG commissioned services, for example, tissue viability.

However, it is noted that there is only one nurse to support the inspection of 108 homes. Evidence was gathered from a number of sources to suggest that increased capacity in this area would improve the monitoring and inspection capability but would also provide greater ability to give increased direct advice and support to care homes in order to drive up standards.

#### **Recommendation 2 – Clinical involvement in the inspection process**

Wirral Clinical Commissioning Group and the Director of Adult Social Services are urged to explore the feasibility of increasing the number of nurses available to support the inspection process. This increased resource will enable a strengthened role in providing advice to care homes and sharing good practice, for example, in relation to skin integrity. In return, ways in which the costs of the additional support could be recouped ought to be explored.

It is noted by the Panel Members that the DASS Quality Assurance team has, during the last year, improved processes in order to enhance standards. As described above, care home managers who had been part of the improvement process confirmed that the support gained from the Quality Assurance team had been beneficial during their improvement journeys. Instrumental in identifying those homes which require additional assistance has been the introduction of the RAG rating system, as described above. It is noted that the framework has been issued to providers so that they are aware of the process. Panel Members consider it important that, if possible and subject to legal advice, details of homes in categories for RAG rating are placed into the public domain. This will demonstrate openness and transparency as well as an ambition to reduce the proportion of homes in the Red and Amber categories. It should also assist people choosing a home as they would be more likely to be able to make properly informed decisions.



Equally, it is considered important to get the RAG rating more widely used and accepted. For example, there is a need to ensure that all those partners placing clients in homes are aware of the particular home's current status and that the necessary information is shared.

**Recommendation 3 – Performance data in the public domain**

The Director of Adult Social Services (\*) is requested to consider the feasibility of placing RAG rating data into the public domain, subject to legal advice.

**Recommendation 4 – Extend the acceptance of the RAG rating**

The Director of Adult Social Services (\*) is requested to ensure that the RAG rating is more widely used and accepted. For example, there is a need for all those partners placing clients in homes to be aware of the particular home's current status and that the necessary information is shared.

The value of the current monitoring framework will clearly be enhanced by each element working in partnership. It is apparent that intelligence and information gathering plays a fundamental role in identifying concerns regarding care standards and potentially safeguarding issues. Sharing information between partner organisations clearly reduces the probability of significant issues remaining undetected. Evidence shows that a positive working relationship is being developed between Healthwatch and the Quality Assurance team, both in information sharing and inspection planning. All of the major partner organisations, including the CQC, also attend the key meetings such as strategic reviews where potential suspension is discussed.

Nevertheless, some concerns were expressed regarding the sharing of information across the different partner bodies. For example, although inspection reports appear to be shared, some delays in passing on information were reported. As an instance, CQC do not share information with partners about an inspection until it is published on their website. Although an improvement towards more constructive partner working was described, Members identify scope for further progress.

**Recommendation 5 – Collaborative working between partners**

All partner organisations, including the Department of Adult Social Services, Wirral Healthwatch and the Care Quality Commission are encouraged to work more collaboratively. The increased sharing of information between partners is supported.

**9.2 The Council's Contractual Relationship with care homes**

It was acknowledged by officers that, in order to aid monitoring and consequently improve standards, there are benefits from the home care contract being as specific as possible. It is envisaged that further steps will be taken to strengthen the contract. Panel Members also propose that the standard contract should be reviewed on an annual basis to provide a general review point, giving the opportunity to include any learning points and changes to circumstances.

The current contract is a joint health and social care contract, although historically the process has been very much led by DASS. When the nursing home contract was last updated, health partners were able to add specific key performance indicators which had not been previously included, for example, infection control standards, dementia indicators, and best practice measures. It is now anticipated that further health related issues will be included in contracts in the future.

**Recommendation 6 – Care home contract**

The Director of Adult Social Services (\*) and Wirral Clinical Commissioning Group are jointly requested to ensure that the contract with care homes is as specific as possible, ensuring that both social care and health aspects are adequately covered and its contents subject to an annual review.

Throughout this Scrutiny Review, sources repeatedly emphasised the importance of leadership towards the success of a care home:

*“The key to a good home is leadership but there are cases where there is a good manager but the owner will not provide the appropriate funding. Alternatively, the managers will not stay and there is a flux in the leadership. Failing homes is all about leadership.”*

*“The reason for the home having problems had been due to poor management”.*

*“The importance of the role of the manager, supported by the owner, in providing leadership for a care home was acknowledged. If the manager was to leave it may well lead to a fall in standards”.*

*“The highest priority for a home to improve is to employ the right manager. However, the pressure on a home without a manager is immense. Therefore, many homes will take the first that comes along rather than looking for the right person”.*

*“The reason for the home having problems had been due to poor management. The home has had the same owner for 20 years, but the managers have changed”.*

It is, therefore, suggested that good practice guidance be introduced for care home managers. This will enable the Council's expectations to be publicised and good practice to be shared. It is anticipated that the guidance will be incorporated within contractual arrangements.

#### **Recommendation 7 – Good Practice guidance for care home managers**

The Director of Adult Social Services is requested to develop good practice guidance for care home managers, to be incorporated within contractual arrangements.

During this review, the impact of home's owner on the quality of the home has become apparent. Further to Winterbourne View, it was evident that further steps had to be taken to ensure that named leaders are held accountable. It is intended that this will be one of the core values to which the CQC will work in the future. The Panel Members were informed:

*“No one inspects the person with the cheque book. The attitude of the owner is most important”.*

However, it is possible that the owner may be operating at arms length and is not fully aware of all circumstances. One case study of which Members became aware related to a proprietor who had assumed that standards were reasonable as no complaints had been made and he had assumed that all the paperwork was being done. This was not case and it was not until the home failed a CQC inspection that they became aware of the difficulties in which the home was in. It is, therefore, suggested that significant correspondence to the manager of a home should also be copied to the proprietor's residential address.

#### **Recommendation 8 – Communication with care home owners**

In order to improve awareness of care home owners, the Director of Adult Social Services (\*) is requested to ensure that essential correspondence is copied to the home owner as well as the manager.

### 9.3 Encouraging excellent standards and sharing good practice

Other than leadership, clearly the competence and training of staff is a key contributory factor to the quality of care provided to residents. Comments from care home owners and managers included:

*“Pick the right people with the right attitude; train them; and develop a good culture”.*

*“Most important is getting the right people – you can’t teach kindness and compassion”.*

*“The aim is to have self-motivated staff with aspiration”.*

There are now more complex needs in care homes, which are more complicated to cater for. This requires appropriate skill mixes and staffing levels. CQC used to insist on minimum staffing levels; but this is no longer the case. However, depending on the focus of the inspection, CQC may review staffing levels, the numbers of qualified staff, whether correct recruitment processes are followed, the use of agency / bank staff, and so on. Staffing is one of the 16 essential standards used by the CQC to regulate care homes. (‘There should be enough members of staff to keep people safe and meet their health and welfare needs’). During an inspection, CQC will ask “You have x number of staff today. How did you come to that decision?” The home then has to justify their staffing decisions based on the number of residents, the level of dependency, and so on.

Some concerns were expressed regarding the ability of some staff to communicate effectively with their residents. This is currently not always the case. Salary levels in the care home sector are low; inexperienced staff often being paid minimum wage. There were some observations that, as a result, some staff in care homes appear to feel undervalued. Motivation of staff is, therefore, key.

Although the Francis Review was brought about as a result of the failures of Mid Staffordshire NHS Foundation Trust, implications of the Report included a demand for a change in the culture of care provided across the health and social care sectors. The Chief Nursing Officer of NHS England refers to the 6 c’s of nursing (namely: care, compassion, competence, communication, courage and commitment) in the Strategy for Nursing ‘Compassion in Practice’. Members suggest that equivalent values are embedded within the care home contract in order to support the improvement in quality of care for residents. It was noted by the Members that one care home has implemented ‘Back to Basics’ training to all staff (“as it was done 30 years ago”).

#### **Recommendation 9 – Compassion in Practice**

In the Strategy for Nursing, ‘Compassion in Practice’, the Chief Nursing Officer of NHS England refers to the 6 c’s of nursing (namely: care, compassion, competence, communication, courage and commitment). In light of the Francis Report and the demand to change the culture of care, the Director of Adult Social Services (\*) is requested to consider how best to embed that ethos within the care home contract.

It was reported that only a small number of nursing homes in Wirral are equipped for end of life care. Panel Members were told by care home managers of the Six Steps training provided to care homes by Wirral CCG, which has proved to be very beneficial. This training aims to ensure that dignity and respect is maintained and that the environment is controlled to ensure that the resident does not have to go into hospital. During the period of required care, district nurse support and equipment is made available in the home.

However, there was also evidence that some homes were reluctant to train staff in basic processes, such as the use of a syringe driver. As a result, the district nurse has to attend on a regular basis. It would be more effective and efficient if the home was able to provide such treatment themselves. The National Strategy on End of Life Care, first produced in 2008, promotes the use of processes such as the Gold Standards Framework. This Framework assists doctors, nurses and care assistants to provide the highest possible standard of care for all patients who may be in the last years of life. It does this by providing these key health and social care professionals with the training they need to provide coordinated, joined up care. It is reported that nationwide, 400 homes have achieved the Gold Standard accreditation.

Panel Members propose that commissioning arrangements are reviewed, with regard to End of Life Care, in order to ensure that as many nursing homes as possible are able to provide such care to a high standard; albeit within the resources available.

#### **Recommendation 10 – End of Life Care**

In order to demonstrate the Council's commitment to the National Strategy on End of Life Care, the Director of Adult Social Services is requested to review commissioning arrangements with the Clinical Commissioning Group. The intention is to standardise the provision of End of Life Care, while encouraging nursing homes to aspire to the Gold Standard.

The Panel Members have also concluded that potential residents can be further empowered to make the correct choice for them by guidance being available to enable appropriate questions to be asked to identify that high quality care is provided. Such advice and information could be made available on the Council's website. It is anticipated that, once the Care Bill has become statute and is implemented, the provision of such guidance will become a statutory duty for Local Authorities.

#### **Recommendation 11 – Choosing a good quality home**

The Director of Adult Social Services is requested to develop an advice and information guide to assist in choosing a good quality home. Indicators of quality will include, for example, a demonstration of working towards the principles of the Ethical Care Charter, adherence to the culture of Compassion in Practice and aspiration for the Gold Standard for End of Life Care.

During the Review, Panel Members were informed by care home managers that there was very little contact between managers of different homes and there was little opportunity to share good practice. This view was summarised by one manager who commented:  
*"It would be really helpful if Quality Assurance were able to offer a platform for care home managers to interact in order to share good practice".*

#### **Recommendation 12 – Forum for Care Home Managers**

In order to encourage excellent status homes to share good practice with others, the Director of Adult Social Services is requested to facilitate a Forum or platform for care home managers to interact and share good practice.

Regarding the care of residents with dementia, Members were informed of concerns regarding the lack of knowledge and adequate training, particularly in homes which care for people with dementia, but also in care homes in general. It was reported that there is often a lack of understanding and insight among staff of care homes.

Alzheimers Society have developed a document 'This is Me', which is effectively a passport for a person with dementia or other communication difficulties. Where used, it has proved to be an effective method of ensuring information about the person is transferred. Panel Members suggest that greater use should be made of 'This is Me' across the health and social care sector. Care homes could be encouraged to make wider use of the passport by inclusion of its provision within the Council's care home contract.

#### **Recommendation 13 – Encourage the wider use of the 'This is Me' passport**

The Director of Adult Social Services (\*) is requested to consider the practicalities of using the contract provisions to encourage care homes to employ wider use of the 'This is Me' passport for people with communication difficulties and to develop standardised health and social care documentation across all providers on Wirral to assist in accurate information transfer between health and social care settings.

## 9.4 Feedback and performance Monitoring

The case was put to the Panel Members that Residents tend not to complain or move home when standards are poor because, compared to their previous living conditions, the home is good. The level of care is higher than domiciliary care. The care home environment is seen as an improvement because the resident gets contact and activities.

*“Unless they have been around a better home, then they don’t know it until they have seen it”.*

In addition, many relatives do not know the standards of compliance.

*“Many relatives do not understand the system”.*

Members were also told that Care home staff can be frightened of losing their jobs and are therefore reluctant to become whistleblowers. It is recognised, too, that there is a fear of complaining among some residents and relatives, for fear of retribution. Some do report incidents after the event, for example, after the resident has died or where the resident has been in the home for respite care (that is, short-term care). Nevertheless, it is important that all staff, residents, relatives and visitors are empowered to take action to report concerns if necessary.

*“It was acknowledged that it is very difficult for relatives to complain to care homes. There would be a great benefit if relatives were further empowered to complain”.*

Panel Members considered the options available to promote a confidential phone line to ensure that facilities are available if required. As discussed earlier, Healthwatch has a role to ensure that the views of service users are heard and to be an effective ‘eyes and ears’ of health and social care services. It is, therefore, suggested that all care homes with whom the Council has contracts are requested to show contact details for Healthwatch in a prominent place along with an explanation of Healthwatch’s purpose.

Equally, Members suggest that more should be done to empower the public to take on a greater role as the “eyes and ears” in care homes. A prominent publicity campaign could be employed to promote this concept and develop a greater awareness of safeguarding issues among the public.

### **Recommendation 14 – Publicity for Healthwatch**

In order to enable greater feedback from service users, the Director of Adult Social Services will ensure that all care home providers will display, in a prominent position, contact details for Healthwatch. This requirement will be incorporated within the care home contract.

### **Recommendation 15 – Raising awareness of the public – Safeguarding**

The Director of Adult Social Services and the Head of Communications and Community Engagement are requested to develop a publicity campaign to empower the public to be the “eyes and ears” regarding the quality and standards in care homes; every person visiting a care home having a responsibility to be those ‘eyes and ears’.

DASS has plans in place to develop a central database for the use of identified professionals. The system will bring together quality assurance reports, complaints, safeguarding and review information in a central repository for each provider and will therefore provide an overview of the service which can then assist to evaluate the service and enable trend monitoring. There will also be greater opportunity to share information with partners.

DASS also intend to provide, based on the outcomes of the self-assessment and rating processes, an Annual Quality Assurance report. It is envisaged that these reports will be available to the general public through the Council website. In addition, Panel Members are keen to see effective performance indicators developed which can be shared and reported on a regular basis.

**Recommendation 16 – Establish relevant performance indicators on the dashboard**

The Director of Adult Social Services is requested to ensure that relevant performance indicators are established on the performance dashboard, reported to the Policy & Performance Committee, to ensure visible monitoring of quality in care homes. This could include the numbers of care homes categorised by the RAG rating.

A Scrutiny Review regarding the 'Implications of the Francis Review for Wirral' was recently completed. One of the recommendations of that Review was:

*In order to fulfill health scrutiny's role to hold providers to account, the Families and Wellbeing Policy & Performance Committee will establish a standing Member's panel to monitor the performance of health providers. It is suggested that the Panel will be known as the Health Performance Monitoring Panel and will be established in readiness to review the Quality Accounts produced by health partners in spring 2014.*

Members of the Care Homes Scrutiny Panel have now concluded that, in order to provide greater focus of Members on standards, the performance monitoring of care homes should also be included within the remit of the Health Performance Monitoring Panel.

**Recommendation 17 – Provision of performance data to Members**

The Head of Policy & Performance / Director of Public Health is requested to include the monitoring of care home quality within the remit of the proposed Health Performance Monitoring Panel. This will enable care home performance issues to be raised with elected Members by the Director of Adult Social Services. A summary of recent CQC reports will also be made available, particularly highlighting those where weaknesses have been identified. Social Care Managers are also requested to make relevant data available to Constituency meetings.

All councillors are representatives of their communities and are in an ideal position to provide a link to the communities which they represent and also reflect the views of constituents. It is therefore proposed that ward Members are encouraged to develop a strong working relationship with the contract manager in DASS and also with the managers, staff and residents of care homes in their wards.

**Recommendation 18 – The relationship between local Members and care homes**

The Director of Adult Social Services is requested to provide local Members with a list of care homes in each ward. As part of the process to develop "eyes and ears", Members are encouraged to develop a relationship with the contract manager as well as managers, staff and residents of care homes in their ward. Members and MPs will also be informed of concerns with care homes within their area (such as a RAG rating of RED or where a Strategic Review has occurred).

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***This Report was produced by the Care Homes Scrutiny Panel***  
*(which reports to The Families and Wellbeing Policy & Performance Committee)*

## Appendix 1: Scope Document for the ‘Care Homes Scrutiny Review’

Date: 5<sup>th</sup> November 2013 (Version 3)

Review Title: Quality Assurance of Care Homes

<b>Scrutiny Panel Chair:</b> Cllr Wendy Clements	Contact details: <a href="mailto:wendyclements@wirral.gov.uk">wendyclements@wirral.gov.uk</a>
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<b>Other Key Officer contacts:</b> Amanda Kelly	0151 666 3671 <a href="mailto:amandakelly@wirral.gov.uk">amandakelly@wirral.gov.uk</a>
<b>1. Which of our strategic corporate objectives does this topic address?</b> This Review will support the Council’s Corporate Objectives to protect the vulnerable in our borough.	
<b>2. What are the main issues?</b> 2.1 How is the quality of care homes in Wirral currently monitored and what processes are already in place, including the role of the Care Quality Commission (CQC)? 2.2 How are homes who are delivering care below the required standard identified? 2.3 What processes are in place to raise the quality of homes where necessary? 2.4 Could more be done to make working between health partners more effective? 2.5 What would be the most effective future arrangements for: <ul style="list-style-type: none"> <li>• Reporting relevant performance / monitoring data to the Policy &amp; Performance Committee?</li> <li>• Involving local Members in the monitoring of care homes in their ward?</li> </ul>	
<b>3. The Committee’s overall aim/objective in doing this work is:</b> This Review will enable Members to gain assurance that there are adequate mechanisms in place and, in the longer term, to improve the standards of care.	

<p><b>4. The possible outputs/outcomes are:</b></p> <p>4.1 To understand the current monitoring arrangements, and if necessary, propose improvements.</p> <p>4.2 Identify ways in which outcomes for residents in care homes can be improved.</p>															
<p><b>5. What specific value can scrutiny add to this topic?</b></p> <p>Scrutiny will give Members the opportunity to gain assurance that there are adequate mechanisms in place and, in the longer term, to improve the standards of care. Scrutiny can also explore best practice from elsewhere.</p>															
<p><b>6. Who will the Committee be trying to influence as part of its work?</b></p> <p>6.1 Appropriate Cabinet Members and Directors, Wirral Borough Council.</p> <p>6.2 Partners of the Council, for example, Wirral Clinical Commissioning Group (CCG), Care Home providers</p> <p>6.3 Local Members</p>															
<p><b>7. Duration of enquiry?</b></p> <ul style="list-style-type: none"> <li>• This will be a short review, for which the evidence gathering will be completed by December 2013.</li> <li>• It is intended that a report from the Task &amp; Finish Group will be presented to the meeting of the Families &amp; Wellbeing Policy &amp; Performance Committee to be held on 28<sup>th</sup> January 2014.</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: 10%; text-align: center;">X</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> <td style="width: 33%;">Policy Development</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>External Partnership</td> <td></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></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"/>		
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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></p> <p>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.</p>															



<b>10. What information do we need?</b>	
<b>10.1 Secondary information (background information, existing reports, legislation, central government documents, etc).</b> <ul style="list-style-type: none"> <li>• Relevant Government Departmental reports</li> <li>• Briefing papers provided by national bodies, for example, LGA, LGiU</li> <li>• Reports from other Councils relating to the same topic</li> <li>• Ethical Care Charter</li> </ul>	<b>10.2 Primary/new evidence/information</b> <ul style="list-style-type: none"> <li>• Interviews with key officers</li> <li>• Documentation regarding the current monitoring processes which are in place</li> <li>• Performance data that is currently available</li> </ul>
<b>10.3 Who can provide us with further relevant evidence? (Cabinet portfolio holder, officer, service user, general public, expert witness, etc).</b> <b>council officers to include:</b> Potential witnesses include the following: <ul style="list-style-type: none"> <li>• Amanda Kelly (Senior Manager - Market Transformation and Contracts) plus the Quality Assurance team (DASS)</li> <li>• Val Tarbath (Wirral Clinical Commissioning Group)</li> <li>• CQC</li> <li>• Karen Prior (Healthwatch)</li> <li>• Care Home Managers</li> <li>• Possible Focus Group of advocacy agencies representing service users (for example, Age UK, Alzheimer’s Society, Older People’s Parliament, etc.)</li> </ul>	<b>10.4 What specific areas do we want them to cover when they give evidence?</b>  Specific lines of enquiry will include the following:  Current processes

**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 Meetings with officers listed in 10.3 above

11.2 Desktop analysis / research

11.3 Possible Focus Group of Care Home Managers

11.4 Possible Focus Group of advocacy agencies representing service users

**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).**

12.1 Advocacy agencies such as Healthwatch will be involved in the review

## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT:</b>	<b>CHILDREN &amp; YOUNG PEOPLE'S DEPARTMENT DAY NURSERY PROVISION</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>YES</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 At the meeting of Cabinet on 19 June 2014, Cabinet approved and agreed to the transfer of New Brighton Day Nursery provision to become a separate legal entity established as a social enterprise model. This is under a five year contract and working to a transfer date of 1 September 2014. This was the only tender which proceeded to a full conclusion from the process agreed by Cabinet on 13 June 2013.
- 1.2 At the meeting of Cabinet on the 19<sup>th</sup> June 2104 it was agreed that other matters in respect of proposals regarding the remaining five Council day nurseries be deferred to a future meeting of Cabinet.
- 1.3 All of the five day nurseries referred to in this report are co-located in buildings alongside key partners. Four are situated on school sites and one is located within the St James Centre, this Centre is owned by the North Birkenhead Development Trust.

### 2.0 BACKGROUND AND KEY ISSUES

#### 2.1 Day Nurseries

- 2.1.1 The day nurseries offer childcare paid for by parents are required to operate on a commercial basis and in the open childcare market place. Childcare fees and charges are based on the average market rate for Wirral. The day nurseries are part of the wider childcare provision operating across Private, Voluntary and Independent sector settings in Wirral.
- 2.1.2 Any subsidies that families are eligible for are applied at a family level in the form of child care tax credits or employee voucher schemes, as tax relief at source. These are used by parents to offset childcare costs.

## 2.2 Childcare Background - Sure Start

- 2.2.1 Originally there was a requirement for local authorities to ensure childcare was available to support parents and carers to take up training and/or employment. The position has now shifted to requiring local authorities to act as a **brokering** service to support families to find and secure the right type of childcare.
- 2.2.2 The Children and Families Act (2014) amended the requirement for the Local Authority to produce and publish details of its childcare sufficiency assessment. However, understanding the local childcare position and supporting it to reach and sustain a high-quality offer is still a requirement and in all our interest, as we continue to progress school readiness and narrowing the gap.
- 2.2.3 Since work began to consider the Council's future arrangements for its day nursery provision, the Government's ambition for more school based provision for 2 year olds has become more apparent.
- 2.2.4 As a point of note; three of the five remaining day nurseries are based in or collocated with Local Authority Community Primary School Sites. One (St Werburgh's) is on the site of a Catholic Aided Primary School. The fifth, Miriam Place is sited within the St James Centre which is owned and managed by North Birkenhead Development Trust.

## 2.3 Day Nursery Provision on School Sites

- 2.3.1 The four day nurseries co-located on school sites have ongoing interdependencies through buildings and partnership arrangements. Given that there was no interest from any organisation through the tendering process to outsource day nurseries, procurement and legal services advised that discussions with the schools could take place. This was to elicit whether there was any interest by the schools in taking on the running of any element of the provision. To date all four headteachers and their respective governing bodies have expressed an interest in developing formal partnership arrangements to extend the current school offer (3 to 11 years) to include the two year old offer (2 to 11 years). This is in line with the direction of travel by central government which strongly suggests that schools should play a significant role in offering two year old places, as school based provision.
- 2.3.2 All the schools currently deliver three and four year old places. The schools have made it clear that they are not interested in delivering full paid for childcare (for children 0-5 years for 51 weeks a year across a 10 hour day), and will only consider any extension to their current offer on a school basis.
- 2.3.3 The four headteachers have been in discussion with the local authority and have indicated an agreement in principle, to explore options to extend the current school early education offer to include two year olds. The ambition would be to offer provision on a school day and school term basis and seek to register with OfSTED to admit two year olds. The schools have indicated that they are willing work with the local authority to offer new employment opportunities (this would not be under a TUPE arrangement) for the current associated day nursery staff. Any new posts in the schools would have revised terms and conditions reflecting the needs of the school e.g. term time contracts.

2.3.4 There is a shared and genuine drive across our schools and the local authority to narrow the gap and improve school readiness and a preparedness to work differently to improve outcomes for children, their families and our communities.

2.3.5 Some building reordering to accommodate children and afford a flow across the school will likely result.

#### **2.4 Day Nursery Provision on North Birkenhead Development Trust Site**

2.4.1 North Birkenhead Development Trust, did tender to provide the service, but as set out in the previous Cabinet report of 19 June 2014, they withdrew. The Cabinet report of the 19 June 2014 concluded the tendering process and all related outstanding matters. Partnership working and relationships between North Birkenhead Development Trust and the Council remain strong.

2.4.2 North Birkenhead Development Trust have indicated a tentative expression of interest to deliver on a social not a commercial model an interest in delivering the 2, 3 and 4 year old education offer. It is therefore recommended that Cabinet agrees to consultation and further negotiations being undertaken with North Birkenhead Development Trust as a current and key stakeholder at the St James Centre to explore the full potential of any proposal.

### **3.0 RELEVANT RISKS**

3.1 There is a risk from the disruption to services required to achieve the necessary changes. This will be mitigated wherever possible through close partnership working. The Family Information Service will ensure that information, advice and guidance is available and effective for individual families.

3.2 There is a risk for families in that they may not be able to access or choose to use alternative childcare. In order to minimise this, each family will be offered an individual brokerage plan and support to identify and access childcare which meets their needs and supports smooth transitions.

3.3 Staff have been 'at risk' for a considerable period of time and will be impacted by any subsequent changes. Any proposals to deliver the early education offer, not full childcare, is likely to result in potential redundancy and/or changes to terms and conditions e.g. moving to term time only working/annualised hours.

3.4 The Council is open to challenge if it continues to directly deliver and/or subsidise childcare when other providers are willing and able to do so (Childcare Act 2006 and the Apprenticeships, Skill, Children and Learning Act 2009).

3.5 Contingency planning to protect against service failure and future proof the service will be required.

### **4.0 OTHER OPTIONS**

4.1 The following have been considered:

- 4.1.1 The Local Authority continues to directly deliver the day nursery provision. Whilst this would ensure the continuation of locally valued services, the cost implications would be significant to the Council. The outstanding budget saving, taking account of the transfer to NBDN is £694,600 and would be compromised by this. It would also challenge our legal responsibility to only provide childcare where others can not or will not (Childcare Act 2006 and the Apprenticeships, Skill, Children and Learning Act 2009), thus leaving the council open to challenge. The childcare sufficiency assessment does not currently indicate a need and vacancies across the borough are over and above the level of places being offered at this time in the five day nursery settings.
- 4.1.2 The Local Authority re structures its services, ceasing to deliver the day nursery provision (for children 0-5 years for 51 weeks a year across a 10 hour day), to refocus delivery on the 2, 3 and 4 year old early education offer (based on a term time and sessional basis). This option has the potential to challenge the ability of schools and other providers to sustain their own provisions.
- 4.1.3 The Local Authority re structures its services ceasing to deliver the day nursery provision (for children 0-5 years for 51 weeks a year across a 10 hour day), to refocus childcare delivery on the 2 year old early education offer only (based on a term time and sessional arrangement). This position may still likely require some financial support albeit in line with the Council's responsibility to deliver services to the most disadvantaged children in the Borough.

## **5.0 CONSULTATION**

- 5.1 Formal consultation will be undertaken with the four day nurseries located on school sites during the consultation period.
- 5.2 Formal consultation will be undertaken with North Birkenhead Development Trust during the consultation period.
- 5.3 Formal HR consultation will be undertaken with staff and recognised trade unions on the decisions and likely impact of this report.
- 5.4 Formal consultation will take place with a range of partners during the consultation period.
- 5.5 Formal consultation with each family currently accessing day nursery services to plan and support their ongoing childcare needs as childcare brokerage will also take place during the consultation period.
- 5.6 Formal consultation with local communities interested in local services will take place during the consultation period.

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

- 6.1 The service works closely with the local voluntary, community and faith sector organisations. Particularly in respect of delivering services and working with vulnerable local children, young people and families. Services offered going forward

will focus on the needs of the most disadvantaged and be targeted to narrow the gap.

- 6.2 Voluntary, Community and Faith groups have a significant role in the delivery of childcare across the Borough. Future plans will ensure that partnership arrangements with the Voluntary, Community and Faith sector are maintained.

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

- 7.1 The commissioning or restructuring of the six (inclusive of New Brighton, subject to a decision of the 19 June 2014) day care settings was anticipated to reduce overall costs by £772,000 per year. This was being delivered from September 2013 but has not yet occurred as the procurement process failed to attract the desired response.
- 7.2 For 2013/14 the part year saving target was £453,000. As contracts have not been awarded this has not been achieved. This saving has been offset by the use of a number of underspends within the Children and Young People's Department.
- 7.3 For 2014/15 the full year saving target of £772,000 will not be achieved. The exact saving will be determined by the length of time required to consult and transfer facilities. It is intended that any shortfall will be met from the Department's Budget and an Early Years Reserve.
- 7.4 All current staff (circa 60 -70 individuals in post) who are employed in the five settings will be affected, options and legalities surrounding this are currently being considered with HR and applicable Trade Unions.
- 7.5 Work to mitigate the impact on other staff in terms of establishing additional posts in schools and at the North Birkenhead Development Trust would be considered.
- 7.6 School colleagues have given assurance that any future recruitment to cover any changes to the school structures as a result of this work will be ring-fenced to those staff displaced, in the first instance.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 Staff employed in day nursery posts will be afforded TUPE or employment transfer rights, if applicable, that may result from future endeavours to change service delivery.
- 8.2 Staff employed in day nursery posts will, where applicable, be afforded an opportunity to register an interest in posts created by the new service provider, as a result of any developments.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 The priority and service areas have been based upon assessment and analysis of local need and available provision. A specific focus for future delivery will be to target vulnerable and at risk children, young people and families' such as; eligible two year olds, teenage and young parents, children at risk of poor outcomes.
- 9.2 Equality Impact Assessment (EIA)  
(a) Is an EIA required? Yes

(b) If 'yes', has one been completed? Yes (14/8/12) Refreshed May 2014

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 None identified.

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

11.1 None identified.

## **12.0 RECOMMENDATIONS**

12.1 That Cabinet agrees that the proposal to cease the Council's day nursery provision detailed within the report, in respect of the five day nurseries is subject to a 12 week public consultation period.

12.2 That the further allocation of places for children at the five day nurseries be pro-actively managed (through discussion with and agreement of parents) during the proposed 12 week consultation period to help mitigate against possible future inconvenience for parents. This is to reduce any likelihood of disruption or unnecessary transfers for children to a different childcare provider in the event that the Council's day nursery provision detailed within the report ceases to operate.

12.3 That Cabinet agrees to consultation and further negotiations being undertaken with those school partners to explore the full potential of developing this proposal.

12.4 That Cabinet agrees to consultation and further negotiations being undertaken with North Birkenhead Development Trust as a current and key stakeholder at the St James Centre to explore the full potential of developing this proposal.

12.5 That Cabinet agrees that a contingency plan be put in place (funded from existing resources) by the Director of Children's Services as considered necessary and appropriate to ensure sufficiency of the early education offer.

12.6 That the Director of Children's Services be authorised to prepare the requisite consultation documentation and commence the public consultation as soon as practicably possible.

12.7 That the outcome of the proposal and consultation responses be considered at a future meeting of Cabinet.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 In 2013 the Department of Education published amended guidance to ensure services for young children pre birth to 5 are targeted to those most in need of them (the inference is those in the 20 – 30% most disadvantaged target groups), to improve outcomes and reduce inequalities for children and families in greatest need, in;

- Child development and school readiness
- Parenting aspirations and parenting skills
- Child and family health and life chances



Proposed changes to day nursery services (along with the subsidy they currently require) outlined in this report support delivery of services for children and families against this amended guidance (2013).

- 13.2 The childcare sufficiency assessment does not currently indicate a need as vacancies in the wider childcare sector across the borough are over and above the level of places presently being offered in the five day nursery settings.
- 13.3 The Council is open to challenge if it continues to directly deliver (or subsidise) childcare when other providers are willing and able to provide childcare (Childcare Act 2006 and the Apprenticeships, Skill, Children and Learning Act 2009).

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

<b>Council Meeting</b>	<b>Date</b>
Q&A information from Public Consultation	<b>15<sup>th</sup> May 2013</b>
Council Budget Meeting	<b>February 2013</b>
Cabinet Report - Commissioning of 6 Day Nursery Provisions	<b>13<sup>th</sup> June 2013</b>

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## WIRRAL COUNCIL

### CABINET

7<sup>TH</sup> JULY 2014

<b>SUBJECT:</b>	PROVISION OF CHILDREN AND ADULT TRANSPORT SERVICES
<b>WARD/S AFFECTED:</b>	ALL
<b>REPORT OF:</b>	DIRECTOR OF CHILDREN'S SERVICES
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	COUNCILLOR TONY SMITH (CHILDREN AND FAMILY SERVICES)
<b>KEY DECISION?</b>	YES

#### 1.0 EXECUTIVE SUMMARY

- 1.1 Wirral Council transports children from home to school and vulnerable adults from home to day centres, placements and educational provision. The transportation is provided through contracted services from external transport providers, an in-house fleet and additional commissioned transport as required. Current external contracts are due to expire in summer 2014 and new contracts are required in order to fulfil the transport requirements for eligible students and adults based on Wirral Council transport policies. This report seeks approval to award new transport contracts.
  
- 1.2 In accordance with the Constitution (Standing Order 35) the Cabinet is requested to waive call-in as the decision required to be taken in respect of this matter is considered urgent as the delay likely to be caused by the call-in process would seriously prejudice the Council's and the public's interest given that the existing contracts are due to expire in summer 2014. The Chief Executive has confirmed that if Cabinet agrees to waive call-in, the decision is reasonable in the circumstances and should be treated as a matter of urgency.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Wirral Council currently has two transport contracts, one contract comprises of transport for children and adults and one contract for supplementary adult transport. Children's contracts expire at the end of the school term July 2014 and adult contracts expire at the end of August 2014. A new contract is required to fulfil the Councils transport requirements from September 2014 as agreed by Cabinet Member 20<sup>th</sup> February 2014.
  
- 2.2 In July 2013 Wirral Council Cabinet approved new home to school transport policies for students aged 5-15 and Post 16 provision. These policies commence in September 2014. Alongside the introduction of the new policies an Independent Travel Training (ITT) programme is being introduced in order to enhance young people with SEND travel confidence helping to support them to become independent through providing valuable life skills.

- 2.3 Budget savings are in place in both children's and adults transport areas. £2.25 million is proposed in savings over the next 6 years. Changes in demand for transport are routinely monitored and the new contract has been designed to allow flexibility in order to efficiently manage changes in demand over the life of the contract. Legal advice has been taken on the new contract design.
- 2.4 The procurement exercise was carried out through the Council's procurement system. There are 211 separate routes that have been subject to the tendering exercise. Procurement advice was taken regarding contract length; a one year contract (1 September 2014 to 31 August 2015) with an optional extension of one year is proposed.
- 2.5 Analysis of tender submissions were weighted in accordance with agreed criteria with regards to price (80%) and quality (20%) which incorporated service delivery standards, sensitivity to users and staff training and qualifications.
- 2.6 The award of the contracts will be subject to the European Court of Justice 'Alcatel' ruling, which allows tenderers the provision to challenge the award of contract. In effect when the contracts are agreed there will be a 10 day 'standstill' period.

### **3.0 RELEVANT RISKS**

- 3.1 The tendering process including a Pre-Qualifying Questionnaire (PQQ) approach has been utilised to reduce risks associated with delivery of the contracts.
- 3.2 The contract costs published in this report are based on the recommended award of contracts. All contracts are subject to acceptance by the winning contractors.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 No other options are considered at this time as the Council provides this transport on the basis of agreed policies.

### **5.0 CONSULTATION**

- 5.1 No consultation was undertaken regarding transport contracts.

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

- 6.1 There are no implications arising from this report.

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

- 7.1 The proposed contract award is £3,653,494 (one year operation); £2,856,735 for SEND transport and £796,759 for adult transport. This compares with a contract budget provision of £4,031,600 and is a reduction of £378,106 as shown in the table below:

	<b>Contract Budget</b> £	<b>Contract Cost</b> £	<b>Difference</b> £
CYP	3,448,300	2,856,735	
DASS	783,300	796,759	
Less: Additional provision	200,000cr		
<b>Total</b>	<b>4,031,600</b>	<b>3,653,494</b>	<b>378,106cr</b>

7.2 The reduction in contract costs against the budget will meet part of the agreed transport savings in 2014-15 which are:

CYP £524,700 (academic year)  
DASS £250,000 (financial year)

It is anticipated that other savings will be made during the year related to demand management including independent travel training for SEND students, reduced fleet costs and a range of DASS initiatives.

7.3 The award of contracts will be subject to acceptance by the contractors.

7.4 The contract allows for route reduction as required which reflects the introduction of new home to school and college transport policies.

## **8.0 LEGAL IMPLICATIONS**

8.1 The Council has undertaken a procurement tendering exercise consistent with its Contract Procedure Rules.

8.2 The Council will enter into legally binding contracts with each successfully tender in relation to transport services to be provided.

## **9.0 EQUALITIES IMPLICATIONS**

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

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

<https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-april-2014/eias-families-wellbeing>

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 The Council's commitment to carbon reduction is emphasised in the tender specification and the environmental impact of the companies are requested in the tender documentation.

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

11.1 There are no planning and community safety implications arising from this report.

## 12.0 RECOMMENDATION/S

- 12.1 In accordance with Contract Procedure Rules, Cabinet agrees that contracts for the transportation service outlined in the report be awarded to the most economically advantageous tender for each contract.
- 12.2 Cabinet agrees that its decision to award the transportation services contracts (at 12.1) is urgent (for the reasons set out at paragraph 1.2 of this report) and not therefore subject to call in.

## 13.0 REASON/S FOR RECOMMENDATION/S

- 13.1 To ensure transport for students and vulnerable adults is maintained as required.

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## APPENDICES

### REFERENCE MATERIAL

None.

### SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
<b>Delegated Authority</b>	<b>20 February 2014</b>
<b>Cabinet</b>	<b>11 July 2013</b>
<b>Cabinet</b>	<b>14 March 2013</b>
<b>Cabinet</b>	<b>19 July 2012</b>

## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT:</b>	<b>UNITY IN OUR COMMUNITY – DESIGNATION OF A NEIGHBOURHOOD FORUM AND NEIGHBOURHOOD AREA FOR LEASOWE</b>
<b>WARDS AFFECTED:</b>	<b>LEASOWE AND MORETON EAST AND BIDSTON AND ST JAMES</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR FOR REGENERATION AND THE ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR PAT HACKETT - ECONOMY</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 Unity in Our Community has applied to the Council to be formally designated as a statutory Neighbourhood Forum to enable them to prepare a statutory Neighbourhood Development Plan for Leasowe. Public consultation has taken place in accordance with the Delegated Decision published on 26 February 2014, to comply with national regulations.
- 1.2 As no substantive representations were received, this report recommends that Unity in Our Community is designated as the Neighbourhood Planning Forum for the Leasowe Neighbourhood Area and that the designation is published in accordance with Regulations 7 and 10 of the Neighbourhood Planning (General) Regulations 2012.
- 1.3 The designation of Unity in Our Community and of the Neighbourhood Area of 'Leasowe' requires a resolution of Full Council.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Localism Act 2011 and accompanying regulations, allow communities to have more control over planning and development within their area. Using these new powers, community groups can apply to the Council to be designated as a neighbourhood forum, to allow them to develop land-use planning proposals for their area which can include the preparation of a statutory Neighbourhood Development Plan.
- 2.2 The Council has already approved the designation of two other Neighbourhood Forums and Neighbourhood Areas at Devonshire Park and at Hoylake (Council 30 April 2013, Minute 147 refers) and their proposals are at an advanced stage of preparation.
- 2.3 A previous Delegated Report (26 February 2014) considered the application submitted to the Council by Unity in Our Community to establish a Neighbourhood

Forum in Leasowe. The report concluded that the application documents complied with the relevant statutory requirements and were appropriate for publication for statutory public consultation, which took place between 17 March and 30 April 2014.

- 2.4 Seven comments were received, which are summarised in Appendix 1 to this report.
- 2.5 Most of the comments received related to issues that respondents wished to see taken into account when Unity in Our Community begin to prepare their Neighbourhood Plan.
- 2.6 There were no substantive comments on the principle of designating Unity in Our Community, on their proposed constitution or on the designation of the proposed Neighbourhood Area.
- 2.7 English Heritage initially raised a query in relation to the exclusion of the residential areas to the west of Reeds Lane but were subsequently satisfied with the explanation set out in the application documents (Appendix 2 refers).
- 2.8 The Council must now complete the legal process set out in national regulations.
- 2.9 As consultation revealed no objection to Unity in Our Community's application and the application meets the conditions prescribed in national legislation, this report recommends that Council be recommended to formally designate Unity in Our Community as the statutory Neighbourhood Forum for the Neighbourhood Area of 'Leasowe', as shown on the plan attached to this report (Appendix 4 refers).
- 2.10 As the proposed Neighbourhood Area is not predominantly business in nature it is not proposed that the Neighbourhood Area is also designated as a business area.

### **Period of Designation**

- 2.11 Once designated, the Leasowe Neighbourhood Forum will become the statutory Neighbourhood Planning Forum for the designated Neighbourhood Area of Leasowe, for five years from designation or until the designation is withdrawn and no other organisation or body may be designated as the Neighbourhood Forum for the area until the designation period expires or is withdrawn.

### **3.0 RELEVANT RISKS**

- 3.1 As compliance with the national neighbourhood planning regulations is not discretionary, the principal risks to the Council are legal and financial, dependent on the continued availability of Government grants.
- 3.2 A decision not to designate Unity in Our Community could be subject to legal challenge.
- 3.3 Potentially abortive costs at public examination and local referendum could be mitigated by working in partnership with Unity in Our Community to maximise the potential success of their neighbourhood planning proposals.



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

- 4.1 There is no other option available to the Council once a valid application has been received and there is no objection to the designation from the local community.
- 4.2 Neighbourhood planning must be community-led. Unity in Our Community has strongly established ties with the proposed neighbourhood area as part of the Leasowe Partnership. No other organisation has come forward to apply to act as a neighbourhood forum or to propose to prepare neighbourhood planning proposals for the proposed neighbourhood area.
- 4.3 There is potential for proposals equivalent to proposals prepared by the local community to be included as part of one of the Council's own statutory Local Plans but no statutory Local Plan at this level of detail is currently being prepared and the preparation of proposals at an equivalent level of detail for each individual area of the Borough would be financially and procedurally prohibitive.
- 4.4 The potential availability of alternative planning powers will be a matter to be considered by the proposed forum in consultation with the Council as their neighbourhood planning proposals are prepared.

#### **5.0 CONSULTATION**

- 5.1 Unity in Our Community has involved representatives from the local community in drawing up their constitution and area boundary, as part of an initiative led by the Leasowe Partnership.
- 5.2 Elected Members for Leasowe and Moreton East will be members of Unity in Our Community. Elected Members for Bidston and St James will also be eligible to be members of the new Neighbourhood Forum.
- 5.3 The application for designation, including the proposed constitution and proposed Neighbourhood Area boundary was publicised for six weeks, in accordance with national regulations.
- 5.4 Documents were loaded on the Council's website on 13 March and public consultation took place between 17 March and 30 April 2014. The consultation was advertised through a press release, public notices in the local free press and the Council's social media (Facebook and Twitter). Constituency Committee contacts for Leasowe were also informed.
- 5.5 Council notification was also sent to the following:
  - Two hundred and fourteen neighbour notification letters to properties at (but outside) the immediate edge of the proposed neighbourhood area;
  - Eight letters and twenty three emails to consultation bodies listed in Schedule 1 of the Neighbourhood Planning (General) Regulations 2012;
  - Four letters to contacts from Leasowe registered on the Council's Local Development Framework contacts database; and
  - Sixteen letters and five emails to local businesses and other organisations within the proposed Neighbourhood Area boundary.

- 5.6 The Leasowe Development Trust also publicised the proposals through Facebook on 17 March 2014 and through invitations to a drop-in session at the offices of Leasowe Community Homes on 24 March 2014.
- 5.7 Paper copies of the application documents were placed at the libraries at Leasowe and St James and at the public counter of the North Annexe of Wallasey Town Hall. Council officers also attended a meeting of the Joint Management Committee of the Leasowe Play, Youth and Community Association on 3 April 2014.
- 5.8 Any subsequent proposals by Unity in Our Community will need to be subject to statutory public involvement, independent examination and local referendum before they can be formally approved.

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

- 6.1 The development of Unity in Our Community has involved a wide range of groups within the community associated with the Leasowe Partnership, who have also been consulted on their application for designation as a Neighbourhood Planning Forum.
- 6.2 The constitution of the Unity in Our Community Neighbourhood Planning Forum will ensure that any local group will be able to contribute to the content of their emerging neighbourhood planning proposals.

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

- 7.1 The costs associated with designation can be met from existing resources in Regeneration and Planning.
- 7.2 An unringfenced grant of £10,000 is available to the Council from the Department of Communities and Local Government, to cover these costs, if the designation of the neighbourhood area and the designation of Unity in Our Community as a neighbourhood forum is confirmed by Council resolution before the end of 2014/15.
- 7.3 Future grants of up to £25,000, which are currently available to help councils with costs associated with publishing a submitted draft Neighbourhood Plan, arranging an independent examination and holding a local referendum, may not be available during 2015/16.
- 7.4 Unity in Our Community will now be responsible for drawing up Neighbourhood Planning proposals in line with national regulations.
- 7.5 Any additional resources to support Unity in Our Community and the later stages of the neighbourhood planning process, including publishing a draft Plan, arranging an independent examination and holding a local referendum, will need to be met from resources held by the Strategic Director for Regeneration and the Environment, less any available grant monies.
- 7.6 Recent local experience suggests that an independent examination could cost between £10,000 and £15,000, depending on the nature of the proposals to be contained within the proposed Neighbourhood Plan.

7.7 A local referendum of registered electors within the area boundary proposed is currently expected to cost up to £10,000.

## **8.0 LEGAL IMPLICATIONS**

8.1 The Council has a legal duty to support local communities in their preparation of statutory neighbourhood planning proposals and must accept and publish proposals for designation that comply with the requirements of the Localism Act.

8.2 The Council can only refuse to designate a forum where it does not meet the prescribed conditions of the Act and must publish the reasons for refusing any application.

8.3 When considering whether to designate a neighbourhood forum, the Council must have regard to the desirability of designating an organisation or body which has secured or taken reasonable steps to attempt to secure that its membership: contains at least one individual who lives in the area, one individual who works in the area and one individual who is an Elected Member for that area; is drawn from different places and from different sections of the community within the area concerned; and that the purpose of that organisation or body reflects, in general terms, the character of that area.

8.4 The nature or merit of any draft or initial proposals is however not a relevant consideration in the decision to designate a neighbourhood forum.

8.5 The Council may only designate one organisation or body as the neighbourhood forum for each neighbourhood area and neighbourhood areas are not allowed to overlap each other. Once designated, no other organisation or body may be designated for that neighbourhood area until that designation expires or is withdrawn.

8.6 The Council can refuse an application to designate a neighbourhood area, if they consider that the area is not appropriate to be designated as a neighbourhood area but must publish a statement of the reasons for refusing any application to designate a neighbourhood area and must exercise its power of designation so as to secure that some or all of the specified area forms part of the area to be designated.

8.7 In areas which are wholly or predominantly business in nature, the Council must also consider whether the area should also be designated as a business area, to allow an additional referendum of local businesses to be held alongside the referendum of local electors.

8.8 As soon as possible after designating a neighbourhood forum and a neighbourhood area the Council must publish the name of the neighbourhood forum; a copy of the written constitution of the neighbourhood forum; the name of the neighbourhood area to which the designation relates; a map which identifies the area; and contact details for at least one member of the neighbourhood forum, on their website and in such other manner as they consider is likely to bring the designation to the attention of people who live, work or carry on business in the neighbourhood area.

- 8.9 Following designation, Unity in Our Community will be responsible for the preparation of a draft plan, in line with national regulations which provide for statutory public involvement and for submitting the draft plan to the Council for publication and examination by an independent person with appropriate qualifications and experience.
- 8.10 The Council must make the proposed neighbourhood plan part of the statutory Development Plan for Wirral, if it passes the examination and is supported by a majority of those voting in a local referendum.
- 8.11 The designation of the forum will initially last for five years. Once designated, the Council will only be able to rescind the status of Unity in Our Community if they no longer meet the statutory conditions for designation.
- 8.12 Any local referendum will need to comply with the Neighbourhood Planning (Referendums) Regulations 2012 (SI 2012 No. 2031) and the Neighbourhood Planning (Referendums) (Amendment) Regulations 2013 (SI 2013 No. 798).

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Has the potential impact of your proposals been reviewed with regard to equality?  
(a) Yes and the impact review can be accessed at:  
<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>
- 9.2 It is concluded that the objectives, representative nature and open membership of the proposed neighbourhood planning forum could have positive equalities implications. A new equalities impact assessment will, however, need to be prepared once the neighbourhood planning proposals of Unity in Our Community have been prepared.

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 It is a legal requirement that neighbourhood planning proposals must contribute towards the achievement of sustainable development.

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

- 11.1 If designated, Unity in Our Community will be responsible for the preparation of draft neighbourhood planning proposals in line with national regulations including national policy.
- 11.2 If adopted after independent examination and referendum, any Neighbourhood Plan will become part of the Council's statutory Development Plan alongside the Unitary Development Plan, the Joint Waste Local Plan for Merseyside and Halton (and the emerging Core Strategy Local Plan) and must be used in the determination of individual planning applications.
- 11.3 Unity in Our Community must demonstrate that their final proposals will meet the basic conditions set out in national legislation and must have regard to the National Planning Policy Framework and be in general conformity with the Council's strategic

land use planning policies, including for the control of development within the Green Belt and within the coastal zone.

- 11.4 The inclusion of the foreshore within the proposed neighbourhood area boundary could have a bearing on the outcome of the screening for Strategic Environmental Assessment and Habitat Regulations Assessment, depending on the nature of the proposals being brought forward by the Forum.

## **12.0 RECOMMENDATION**

- 12.1 That Cabinet recommends to Council that Unity in Our Community is formally designated as the statutory neighbourhood planning forum for the neighbourhood area of Leasowe shown on the plan attached to this report; and
- 12.2 That the designation and the associated documents are published in accordance with Regulations 7 and 10 of the Neighbourhood Planning (General) Regulations 2012.

## **13.0 REASONS FOR RECOMMENDATIONS**

- 13.1 To fulfil the Council's statutory duties for the administration of an application to establish a statutory neighbourhood planning forum and a statutory neighbourhood planning area boundary for Leasowe.

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## **APPENDICES**

Appendix 1 – Summary of Representations Received  
Appendix 2 – Neighbourhood Forum Application Letter  
Appendix 3 – Neighbourhood Forum Constitution  
Appendix 4 – Neighbourhood Area Boundary

## **REFERENCE MATERIAL**

[Localism Act 2011](#) (Part 6, Chapter 3 and Schedules 9 to 12 refer)  
[The Neighbourhood Planning \(General\) Regulations 2012 \(2012, No. 637\)](#)  
Regulations 5 to 10 refer  
[Neighbourhood Planning \(Referendums\) Regulations 2012 \(SI 2012 No. 2031\)](#)  
[Neighbourhood Planning \(Referendums\) \(Amendment\) Regulations 2013 \(SI 2013 No. 798\)](#)  
[National Planning Policy Framework \(CLG, March 2012\)](#), paragraphs 183 to 185 refer

A copy of the application documents can also be viewed at:  
<http://www.wirral.gov.uk/my-services/environment-and-planning/planning/local-development-framework/neighbourhood-planning>

A copy of the Delegated Decision Report can be viewed at  
<http://democracy.wirral.gov.uk/ieDecisionDetails.aspx?ID=2681>

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Delegated Decision - Unity in Our Community – Application for the Designation of a Neighbourhood Forum and Neighbourhood Planning Area for Leasowe</b> (approval of statutory public consultation)	<b>26 February 2014</b>

## Appendix 1

### Summary of Representations on the Application by Unity in Our Community to be designated as the Statutory Neighbourhood Forum for Leasowe (June 2014)

Consultee	Summary of Comments	Action Required
Environment Agency	No comments to make on the Application. However should any development proposals come forward in areas at risk from flooding would like to be notified and involved in the statutory consultation.	No action required at this stage.
Marine Management Organisation	The MMO has no comments to submit in relation to this consultation.	No action required at this stage.
The Coal Authority	The Leasowe area is outside the defined coalfield and therefore The Coal Authority has no specific comments to make on the definition of the Neighbourhood Plan Area. It will not be necessary to provide The Coal Authority with any future drafts or updates to the emerging Neighbourhood Plan.	No action required.
Natural England	No comments or objections raised to the application. Guidance provided to be taken into account when producing a Neighbourhood Plan.	No action required at this stage.
English Heritage	<p>The area covered by the Neighbourhood Plan includes a number of designated heritage assets. In line with national planning policy, it will be important that the strategy for this area safeguards those elements which contribute to the significance of these assets.</p> <p>There appears to be a logical boundary to the southwest of the planning area, which would create an urban edge to the Plan - it is recommended that the Plan be amended to incorporate this area as at the moment it is excluded.</p>	<p>No action required at this stage.</p> <p>The Council has contacted English Heritage to explain that the boundary was selected to reflect areas with the highest levels of multiple deprivation and that the private housing to the West of Reeds Lane was excluded because research carried out by the Leasowe Development Trust in 2012 highlighted that residents in that area did not associate themselves with Leasowe. On this basis, English Heritage are now satisfied with the current boundary and do not wish to submit any formal objection.</p>

	Consider that the planning and conservation team at Wirral Council are best placed to assist in the development of a Neighbourhood Plan and, in particular how the Strategy might address the area's heritage assets. Guidance provided to be taken into account when producing a Neighbourhood Plan.	
United Utilities	No comments or objections raised to Unity in Our Community's application but wish to be included in further consultation and where necessary, the development of the Neighbourhood Plan and any Neighbourhood Development Orders or Community Right to Build Orders.	No action required at this stage.
Network Rail	No comments or objections raised to the application but information / guidance supplied for future reference when preparing any future Neighbourhood Plan.	No action required at this stage.



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Forward Planning Manager  
Wirral Council  
Regeneration and Planning Service  
North Annexe, Wallasey Town Hall, Brighton Street,  
Wallasey  
Wirral  
CH44 8ED



Date: 29<sup>th</sup> January 2014

Dear Andrew,

**Re: Neighbourhood Forum and Neighbourhood Area Designation Application**

Please accept this as an application pursuant to Parts 2 and 3 of the Town and Country Planning, England, Neighbourhood Planning (General) Regulations 2012 (SI 2012 No. 637), for the designation of Unity in Our Community Neighbourhood Planning Forum as a neighbourhood forum for the purpose of preparing a neighbourhood plan and for the designation of Leasowe as a neighbourhood planning area.

- a) The name of the proposed neighbourhood forum will be Unity in Our Community Neighbourhood Planning Forum (the proposed forum)
- b) The proposed forum has a written constitution which includes the express purpose of promoting the social, economic and environmental wellbeing of the Community within the Neighbourhood area  
*Please see attached Appendix – Constitution Leasowe Neighbourhood Forum 2013*
- c) The constitution was adopted by Forum members at meeting on 6<sup>th</sup> Aug 2013

The name of the neighbourhood area to which the application relates is Leasowe (the area). Having considered options for the neighbourhood area, the prospective neighbourhood forum would like the area indicated on the enclosed plan to be designated. *Please see Appendix 2 – Map of the Area*

The area defined in *Appendix 2* is chosen for designation because of its high levels of Multi Deprivation (6%) as shown in the Indices of Deprivation for England. Our designated area takes in Wirral 009A rank 231, Wirral 006c rank 2848, and Wirral 006b rank 4691.

Note: A lower rank means the area is more deprived (1=most deprived, 32482=least deprived).

The focus of the plan is not primarily building but social and the use of existing buildings to ensure they are used to maximum potential to help reduce the levels of deprivation over a 5 to 10 year period.

The area has been mapped specifically to ensure we take in those areas with high levels of multi deprivation as stated above.

The land at Bidston Moss M53 roundabout has been included because of the potential opportunities that exist to create youth activities and employment opportunities. The use of this underdeveloped area would benefit the people of Leasowe, Wallasey, Bidston and Wirral .

The inclusion of this area has been discussed with the Ward Members Bidston St and James and they are in agreement with the inclusion in the Leasowe Neighbourhood Plan.

People affected by developments or work being carried out within the designated area (including those living or working in Bidston ) will be notified via our web site, local newsletters and, when necessary, Wirral-wide papers such as the Wirral Globe and Wirral News. For those affected by the proposed work or developments who wish to contribute, they may do so by attending the various meetings or by submitting their concerns/comments to the Strategy Group, who will inform the Forum through its agreed processes and feed back accordingly.

We have excluded the private housing to the West of Reeds Lane for two reasons:

- a. When carrying out our research in 2012 it was evident that residents in the area did not associate themselves with Leasowe.
- b. The area Wirral 006A is not ranked as being a multi deprivation area in the indices of multi deprivation (rank:23950) and therefore does not meet the criterion for selecting the area chosen.

The contact details for the proposed forum are as follows :-

Roy Sheriff, Leasowe Development Trust, Leasowe Millennium Centre, Leasowe, Wirral, Merseyside, CH46 1PQ  
Tel 01516389599 Email [roy@leasowedt.org.uk](mailto:roy@leasowedt.org.uk)

These contact details are provided to Wirral Borough Council for publication on their website and in such other manner related to the Neighbourhood Plan as the Local Authority considers appropriate pursuant to Regulation 6, 7, 8, 9 and 10 of the Neighbourhood Planning Regulations.

In addition, the contact details will be made available to the public via the Leasowe Development Trust website, Facebook page, and posters put up in the area.

The proposed neighbourhood forum meets the conditions contained in Sections 61F and 61G of the 1990 Town and Country Planning Act as follows:

a). The proposed forum is established for the express purpose of promoting the social, economic and environmental well being of the area and to prepare a neighbourhood plan for the area

*Please see attached – Constitution, Sections 2 and 3*

### ***Background to establishing the Forum***

At a Joint Management Council meeting held at Leasowe Community Centre in 2008, a discussion took place regarding increased anti social behaviour amongst young people on the Leasowe estate, especially around the shops and the community centre. A local resident and active citizen, Ken Williams, made a very significant statement that prompted a chain of events to address issues on the estate through a strategic process. He said “I find it hard to believe that everyone is complaining about young people and there is nothing for them to do, you are all employed to sort this out, so why has nothing been done and it is getting worse“. Around the table were youth workers, community development officers, councillors, local organisations and residents.

On the way back from the meeting Mary Quigg and Roy Sheriff talked about what had been said and the lack of action that followed such a direct question. It was from this point that Leasowe Community Homes and Leasowe Development Trust through its directors decided to facilitate and lead on a programme that would address such issues on the estate.

It was acknowledged that the process would be slow and involve lots of stakeholders but essential if we were to make a greater impact on the high levels of multi-deprivation that exist within the area of Leasowe.

The concept of Unity in Our Community was born: young people in the area helped design and produce the logo, which is now being used to show those organisations, groups and buildings that support the work. It replaces the need for multiple logo production and represents those organisations that want to make a difference in the community.

Throughout 2010 and 2011 Leasowe Development Trust and Leasowe Community Homes worked closely with organisations, statutory bodies, local groups and residents to form the basis for a strategy that would produce an action plan that we could work to, that would help address those issues resulting in Multi-Deprivation. From this work we produced a format that would be a point from which we could start. The following diagram shows the groups that represent all people working, living or having a vested interest in the area. The strategy group, which is now applying to be designated as the

neighbourhood forum for the area, consists of key decision makers in the area and representatives from each of the sub groups.

Already working with partners and residents to reduce deprivation in the area, the Localism Act of 2011 was an ideal opportunity to formalise our work through the development of a Neighbourhood Plan.

The diagram printed on Appendix 2 page 12 of the constitution shows the structure that has led to the development of a Neighbourhood Forum

b). The membership of the proposed forum is open to

- i. Individuals who live in the area; and
- ii. Individuals who work there; and
- iii. Individuals who are elected members of Wirral Borough Council whose area falls within the neighbourhood concerned

*Please see attached – Constitution, Section 4.1*

Forum meetings will be advertised for a minimum of 21 days before a meeting takes place via LDT website, Facebook and posters.

Leasowe Strategy Group will make reasonable endeavours to make contact with individuals who live and / or work in the area for the purpose of inviting membership of the proposed forum via email, Facebook, Websites and posters delivered to local shops and businesses (including religious and not for profit organisations), social media and by direct invitation.

It is open to individuals who work in the area to attend the forum meetings .

Leasowe Strategy Group will make reasonable endeavours to ensure that membership of the proposed forum reflects local diversity with reference to any such population profiling as may be provided by the local authority.

c). At the time of application the Forum has 21 registered members. The current distribution of Strategy Group members, who also are members of the Forum, is as follows.

- i. Individuals who live in the area: 8
- ii. Individuals who work in the area (either for business carried out there or otherwise): 5,
- iii. Individuals who are elected members of Wirral Borough Council whose area falls within the neighbourhood area concerned : 3
- iv. Individuals who live or work in Health in the area 3
- v. Individuals who live or work in Education in the area 2

A list of members is held by the Secretary and will be made available to Wirral Borough Council on request in a form to be agreed with due regard to privacy and data protection requirements.

The Leasowe Strategy Group will monitor membership in accordance with the Constitution and reserves the right to update the number of members stated in this application prior to Examination of the Neighbourhood Plan and supporting documents submitted to Wirral Borough Council.

Should you require any further information in support of this application please do not hesitate to contact me.

Yours Sincerely

A handwritten signature in black ink on a light yellow background, reading "Roy Sheriff".

Roy Sheriff

Unity in Our Community Neighbourhood Planning Forum

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**UNITY IN OUR COMMUNITY**

**Constitution**  
**Leasowe Neighbourhood**  
**Forum 2014**



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## CONSTITUTION FOR: LEASOWE NEIGHBOURHOOD PLANNING FORUM TO BE KNOWN AS “UNITY IN OUR COMMUNITY”

### 1. Name

1.1. The name of the Neighbourhood Forum for Leasowe shall be: UNITY IN OUR COMMUNITY

### 2. Aim:

2.1. The primary aim of UNITY IN OUR COMMUNITY is to consult the local community within the designated area (shown in Appendix 1) for the sole purpose of producing a Neighbourhood Plan that will truly reflect the views, wishes and aspirations of those who live and work in the area.

### 3. Objectives:

- 3.1. To promote the economic, social, health and environmental well being of the Community within the Leasowe Neighbourhood Forum area, in order to reduce the high levels of deprivation;
- 3.2. To provide opportunities for local people to inform and influence local decision making
- 3.3. To encourage openness and transparency amongst all groups and statutory agencies.
- 3.4. To provide an opportunity for local people to influence where possible priorities and services offered by groups, statutory organisations and new businesses whilst having an input to developments in the area.
- 3.5. To improve community leadership for the benefit of the whole area
- 3.6. To improve democratic participation by local people
- 3.7. To develop an area plan that will benefit the local community.

### 4. Structure

- 4.1. Leasowe Neighbourhood Forum will consist of people who live, work or are elected to represent the designated area (shown in Appendix 1) who wish to engage in the process through one of the following ways:
- 4.1.1. The Leasowe Strategy Group
  - 4.1.2. One of the Sub Groups shown on the diagram in Appendix 2
  - 4.1.3. Through active participation in the consultation process



## **5. Process**

- 5.1. The Localism Act encourages local communities to set up a Neighbourhood Forum to lead the preparation of a Neighbourhood Plan.
- 5.2. It has been proposed to Wirral Council that UNITY IN OUR COMMUNITY will produce a Neighbourhood Plan for Leasowe, and that UNITY IN OUR COMMUNITY will formally apply to Wirral Council for designation as the Neighbourhood Forum for Leasowe.
- 5.3. A Strategy Group will ensure due diligence and accept responsibility for financial and secretarial duties; this will be known as Leasowe Strategy Group, with the lead partner being Leasowe Community Homes.
- 5.4. Leasowe Strategy Group will meet and consult with residents on all proposals related to the Neighbourhood Plan
- 5.5. Once agreed, following local referendum, the Neighbourhood Plan will form part of the statutory Development Plan for Wirral and will be a material factor in making decisions on new development within the designated area.

## **6. Location of meetings and frequency**

- 6.1. The place of meeting for the Strategy Group of the Forum (or a subcommittee of the Strategy group) will be decided by the chairperson or any leaders of any subcommittee associated with the Strategy Group.
- 6.2. The Strategy Group will meet bi monthly, or at such frequency necessary to ensure preparation of the Plan is progressed in accordance with the approved Project Plan.



## **7. Strategy Group: Role Membership and Responsibilities**

### **7.1. Role: of the Strategy group:**

- 7.1.1. To oversee and manage the process, assist in the writing of and approval on behalf of the Forum, of the plan before submission.

### **7.2. Purpose**

- 7.2.1. The purpose of the Strategy Group shall be to carry out the following tasks on behalf of the of the Forum for the purpose of the Neighbourhood Plan :
- 7.2.2. Undertake the preparation of a Neighbourhood Plan and any associated tasks
- 7.2.3. Identify sources of funding
- 7.2.4. Take responsibility for planning, budgeting and monitoring of expenditure
- 7.2.5. Liaise with relevant authorities and organisations to ensure the Plan is as comprehensive and inclusive as possible
- 7.2.6. Identify ways of involving the whole community and gather the views and opinions of as many groups and organisations in the community as possible
- 7.2.7. Determine the types of consultation and information gathering to be used
- 7.2.8. Be responsible for the analysis arising from such consultation and the production and distribution of the final report
- 7.2.9. To work closely with both Wirral Council, and the newly appointed Constituency team.
- 7.2.10. To keep all partners regularly informed on all relevant matters related to the Neighbourhood Plan process
- 7.2.11. To present the draft Neighbourhood Plan for consultation and submission to Wirral Council for examination and referendum
- 7.2.12. The Strategy Group shall comprise of no less than 21 members.
- 7.2.13. The quorum for a Strategy Group meeting shall be 7.
- 7.2.14. The Strategy Group may consist of LCH Board members, Councillors, managers of buildings and resources in the area, Street Representatives, community group leaders and chairpersons of those sub groups identified to help develop the plan (shown on the diagram in Appendix 2).
- 7.2.15. Membership is voluntary
- 7.2.16. Eligible for membership of the Strategy Group are people:
  - 7.2.16.1. who live in the Neighbourhood Area



- 7.2.16.2. who work in the Neighbourhood Area
- 7.2.16.3. who are elected representatives for the Neighbourhood Area
- 7.2.16.4. who own property in the Neighbourhood Area
- 7.2.16.5. who are retailers in the Neighbourhood Area
- 7.2.16.6. who represent local organisations operating in the Neighbourhood Area

- 7.2.17. New members may join by applying either verbally or in writing (including email) to [roy@leasowedt.org.uk](mailto:roy@leasowedt.org.uk)
- 7.2.18. The decision on acceptance of individual membership applications is the responsibility of the Strategy Group in accordance with this constitution.
- 7.2.19. Refusal to accept an application for membership must be given to the applicant by the Chairperson, or the Vice Chairperson, including the reason for refusal.
- 7.2.20. The Chairperson will conduct meetings and have the deciding vote in a deadlock situation

### **7.3. Reasons for refusal:**

- 7.3.1. The person does not live or work in the designated area.
- 7.3.2. The person would bring disrepute to or disrupt the process.
- 7.3.3. Other reasons where there is agreement by the whole Strategy Group

### **7.4. Roles**

- 7.4.1. The secretary will organise meetings, record and maintain the minutes of all meetings, making them available to all members and for public inspection; be responsible for all the correspondence appertaining to the business of the Forum and be responsible for upholding the constitution
- 7.4.2. The treasurer will keep accurate accounts of any finances which are subject to the financial procedures
- 7.4.3. The secretary will be responsible for managing the membership list
- 7.4.4. In the event of absence another officer may take the role of Chairperson.
- 7.4.5. The Strategy Group will lead the preparation of the Neighbourhood Plan, and monitor implementation after adoption
- 7.4.6. Wirral Council as the Local Planning Authority will ensure that the work of the Forum in relation to all mapping information falls within the scope of the License held by the Council from the Ordnance Survey.



## **7.5. Strategy Group Executive Committee roles**

### **7.5.1. The Chairperson will:**

- 7.5.1.1. be the chief presiding officer and chairperson for the Strategy Group meetings with a casting vote in any tie of votes only
- 7.5.1.2. lead the Strategy Group in all communication and business with external organisations and individuals, being its spokesperson
- 7.5.1.3. have the power to take decisions on urgent matters between meetings of the Strategy Group
- 7.5.1.4. provide leadership and motivation
- 7.5.1.5. enforce the Constitution and ensure meetings are conducted efficiently, fairly, and harmoniously.

### **7.5.2. The Vice Chairperson will:**

- 7.5.2.1. be the Chairperson's alternate in their absence, with all the duties and responsibilities of the Chairperson during the Chairperson's absence;

### **7.5.3. The Secretary will:**

- 7.5.3.1. prepare and issue agendas, notes and reports for the Strategy Group meetings
- 7.5.3.2. issue minutes for the Chairperson's approval prior to circulation;
- 7.5.3.3. maintain membership details and keep the appropriate officers within Wirral Council informed of progress
- 7.5.3.4. report to the Forum on all related administrative matters.

### **7.5.4. The Treasurer will:**

- 7.5.5. maintain and report on the financial accounts and insurance requirements of the Strategy Group
- 7.5.6. report to each meeting of the Strategy Group the finance held by, or on behalf of, the Strategy Group and funds uncommitted and available for use by the Strategy Group.



## **7.6. Composition and meetings of the Strategy Group representatives**

- 7.6.1. It may be necessary to establish subcommittees as required.
- 7.6.2. Meetings of any subcommittee may also be attended by members of the Strategy Group and any other properly constituted sub group (shown on the diagram in Appendix 2).

## **7.7. Affiliations, operations and independence:**

- 7.7.1. The Strategy Group is a collaborative working arrangement for the proposed Leasowe Neighbourhood Forum and shall not be affiliated to any political party.
- 7.7.2. All members of the Strategy Group shall act in meetings of the Strategy Group and any subcommittee or properly constituted subgroup in the best interests of the Strategy Group, the Forum and the community of the area and shall follow the good governance guidelines set out in the attached guidance (or any updating thereof)  
<http://www.goodgovernancecode.org.uk/>
- 7.7.3. The Strategy Group shall act in accordance with best practice in the preparation of neighbourhood plans and in accordance with Government guidance for such preparation and shall seek to work collaboratively with the Local Planning Authority to achieve this.
- 7.7.4. The Leasowe Strategy Group is to prepare the Neighbourhood Plan in the first place and may comment on planning applications or proposals that could reasonably be expected to impact upon the objectives of the plan either before or after the plan is produced. Where such comments are made, they shall be submitted to the Council following approval by the Chairperson of the Strategy Group.



## **8. Confidentiality**

- 8.1. It is understood, and agreed to, that the disclosure of information on behalf of the Forum may include information that is, and must be kept, confidential. To ensure the protection of such information, and to preserve any confidentiality necessary under patent and/or trade secret laws, it is agreed that:
  - 8.1.1. The Recipient shall limit disclosure of Confidential Information to members of the Strategy Group having a need to know.
  - 8.1.2. Strategy Group members will not disclose the confidential information obtained from the discloser unless required to do so by law.
- 8.2. This Agreement imposes no obligation upon the Recipient with respect to any Confidential Information (a) that was in the Recipient's possession before receipt from the Discloser; (b) is or becomes a matter of public knowledge through no fault of the Recipient; (c) is rightfully received by the Recipient from a third party not owing a duty of confidentiality to the Discloser; (d) is disclosed without a duty of confidentiality to a third party by, or with the authorisation of, the Discloser, or is independently derived by the Recipient.

## **9. Conflict resolution within the Strategy Group**

- 9.1. At all times, the Strategy Group will recognise the primary need to encourage community involvement in, and support for, the Neighbourhood Plan.
- 9.2. The Strategy Group recognises that the Neighbourhood Plan must be in general conformity with the Strategic Policies of the development plan produced by the Council for the local area (i.e. such as within the Core Strategy Local Plan).
- 9.3. If it proves not possible for the Strategy Group to reach agreement during any stage of preparing the Neighbourhood Plan, every effort shall be made by the membership of the Strategy Group to resolve the difference by negotiation.
- 9.4. Where this does not resolve the situation, the Strategy Group will ensure that the alternative view is included in the relevant stage of community



engagement, and the Strategy Group will adopt the position of the majority response from the community arising from that stage.

## 10. Constitution Amendments

- 10.1. Unless otherwise resolved, the duration of this constitution will be no more than 5 years from the date of designation.
- 10.2. To amend the constitution a Forum member may submit in writing their proposal to change the constitution to the Strategy Group
  - 10.2.1. The proposal should include the Paragraph /sub section to be amended with the appropriate words to replace or add to the existing text.
  - 10.2.2. The Strategy Group will have the deciding vote to accept or reject any changes or recommendations.
  - 10.2.3. Any amendment must be voted on and approved by at least two thirds of the Strategy Group.
  - 10.2.4. The decision to amend or reject will be posted on the Leasowe Developments Trust web site and Facebook page.

Signed:  
Lead Partner Leasowe Community Homes

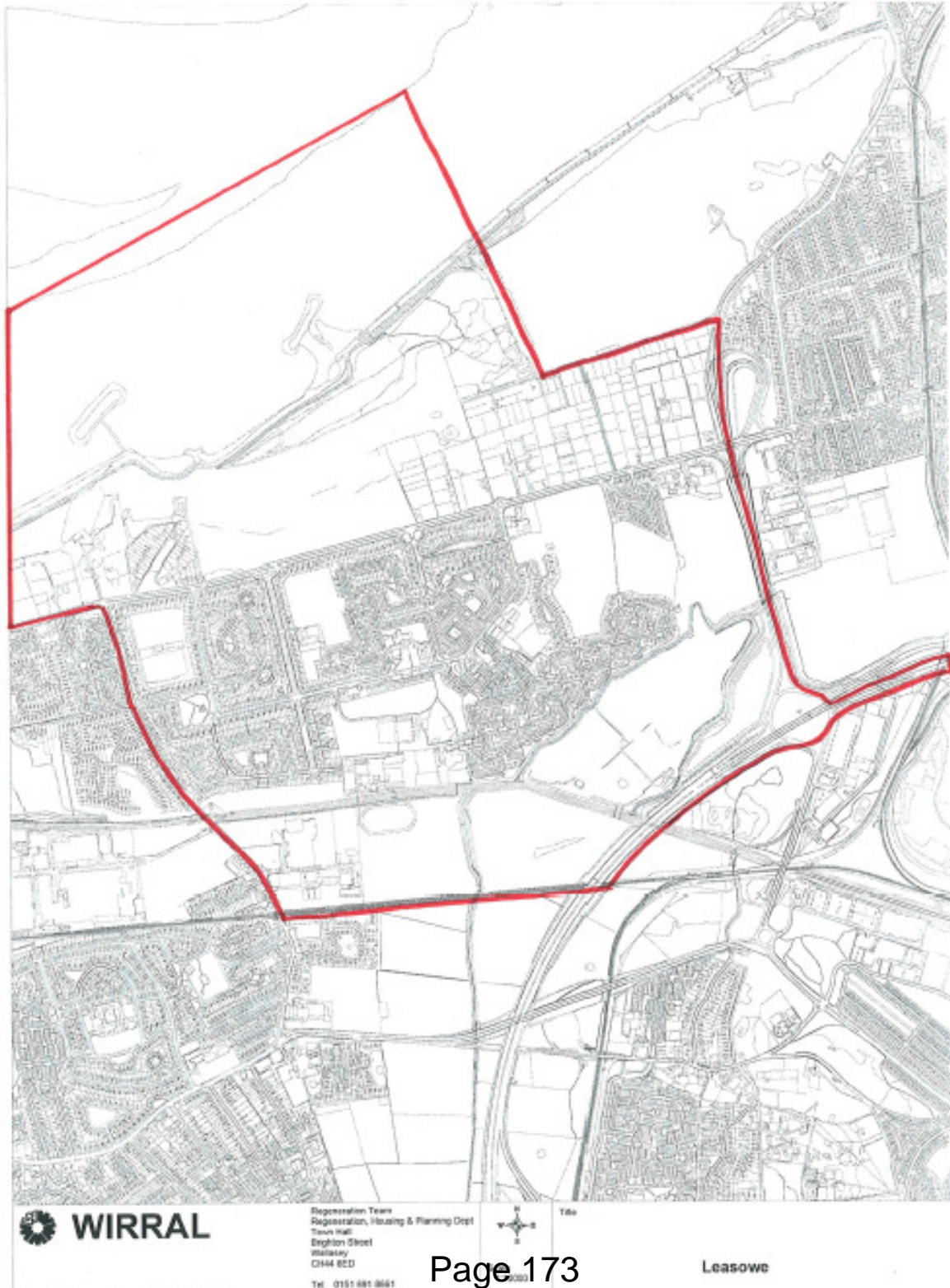
Date:



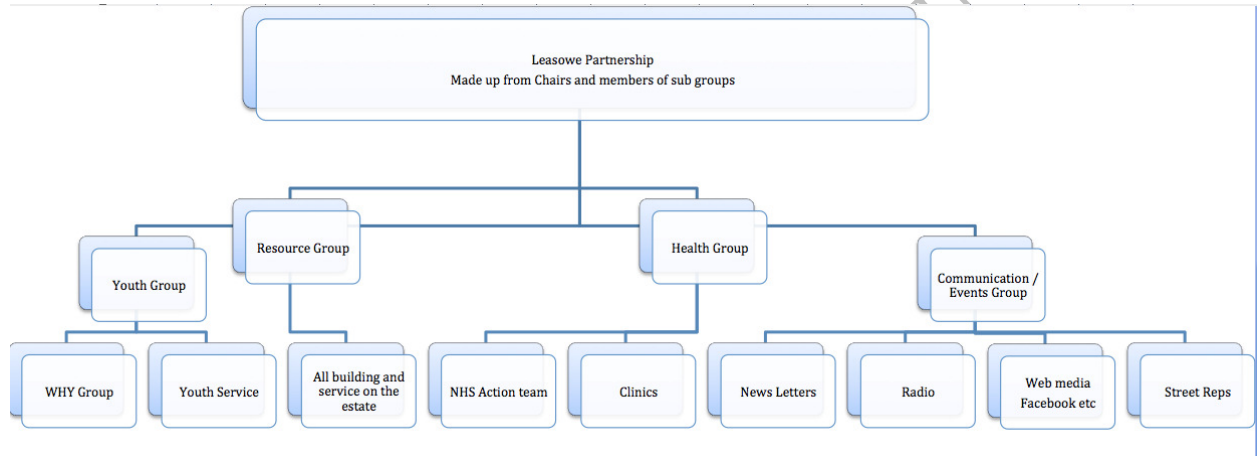


UNITY IN OUR COMMUNITY

## Appendix 1 – Area of Designation



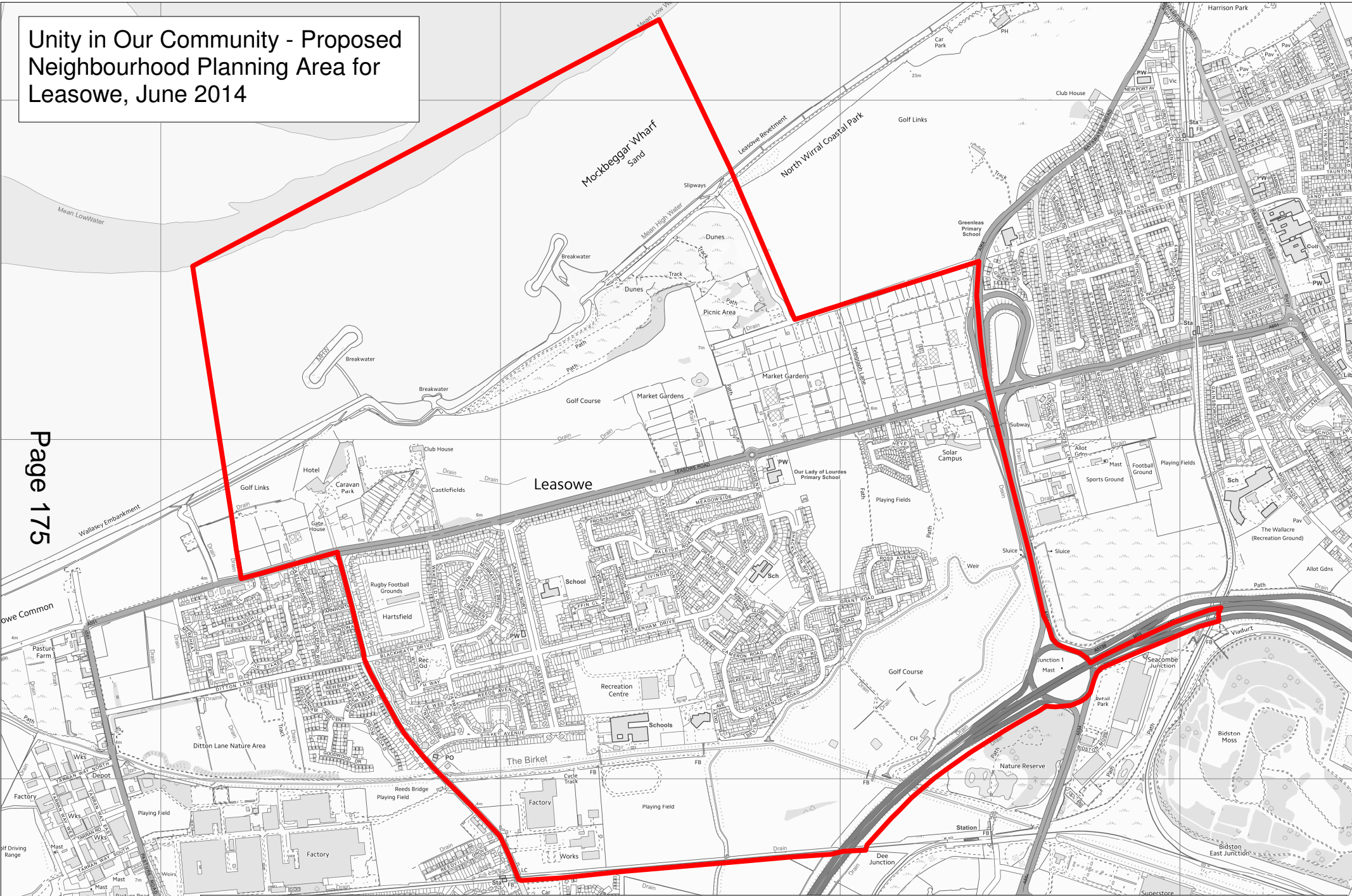
## Appendix 2 – Structure



## Leasowe Neighbourhood Forum

Unity in Our Community - Proposed Neighbourhood Planning Area for Leasowe, June 2014

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## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT:</b>	<b>GARDEN WASTE CONTRACT AWARD: OUTCOME OF THE JOINT PROCUREMENT FOR THE TREATMENT OF GARDEN WASTE</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>KEVIN ADDERLEY, STRATEGIC DIRECTOR FOR REGENERATION AND ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR BERNIE MOONEY ENVIRONMENT AND SUSTAINABILITY</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 On 7 November, 2013, Cabinet approved Wirral Council join an existing green waste composting contract between April and October 2014, currently let by Sefton Council. This enabled Wirral Council to take part in a collaborative procurement exercise with all other Merseyside districts (Minute 95 refers). At that time, Members requested officers to report back to Cabinet on the outcome of the procurement exercise as well as the outcome of exploring an in-house option. These requests pre-date the revision of the Council's Contract Procedure Rules that came into force December 2013. This report details the outcome of that procurement exercise and recommends Members accept the preferred bidder tender. It also concludes that an in-house option to compost our own garden waste is not viable at this time. The value of the tender to Wirral over the two year core contract period is approximately £600k (depending on tonnage variations). Accepting the preferred bidder will ensure that Wirral enjoy the "economies of scale" of a large contract and limit the impact of increased processing costs that this industry has experienced over recent years.

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 Wirral is projected to produce around 13,000 tonnes of garden waste per annum. This must be composted to PAS100 standards to enable the Council to claim recycling credits and add this tonnage into Wirral councils recycling performance figures. The current national median gate fee price for windrow treatment reported by WRAP is £24 per tonne (excluding haulage). Due to the absence of composting sites on the Wirral, it is necessary to transport all of Wirral's kerbside collected garden waste to a reprocessing facility, or for bidders to offer a bulking and transfer station locally.

2.2 Wirral Council joined a collaborative green waste processing contract (previously let by Sefton Council in November 2011) in April 2014 which will run to 31<sup>st</sup> October 2014. The incumbent contractors are White Moss Horticulture Ltd, which is a family owned business and producer of horticultural products based in Kirkby. In addition, White Moss also carries out the bulking and haulage element of the process under a separate agreement with Wirral using a subcontracted local waste transfer station.

### 3.0 OUTCOME OF THE COLLABARATIVE PROCUREMENT EXERCISE

#### 3.1 Procurement Process

Officers from the Waste and Environmental Services Division and Corporate Procurement have worked with officers from the other three named Merseyside Local Authorities (Sefton, St Helens and Knowsley Councils) in order to seek economies of scale from the letting of a collaborative green waste composting tender. Sefton Council are the procuring authority.

The Chest portal was used, and an advert was placed in the Official Journal of the European Union (OJEU). The tender exercise has been undertaken using an OJEU Open Procedure.

The basis of the quality/price evaluation to be applied was 70% price (life-cycle cost over 2 year core period to include haulage and other transport costs) and 30% quality. The closing date for tenders to be submitted was 2<sup>nd</sup> May 2014. Two compliant bids were received. The two participants were White Moss Horticulture Ltd and James Heyes Ltd. Both companies are based within Merseyside, thereby minimising the environmental and financial impacts of transportation.

#### 3.2 Procurement Outcome

Both bids have been evaluated by the panel of officers made up from each participating council. The results for the two companies are detailed in Table 1.

**Table 1: Price/Quality evaluation scores**

	RANK.	PRICE SCORE	WEIGHTED SCORE	QUALITY SCORE	WEIGHTED SCORE	SCORE
<b>Preferred Bidder</b>	1	100	70.00	84.44	25.33	95.33
<b>Second Bidder</b>	2	59.62	41.73	43.70	13.11	54.84

The preferred bidder provides the most economically advantageous tender from both a financial and quality perspective. Wirral officers were highly satisfied with all aspects of the preferred bidder tender, reflected in the high quality score awarded.

The direct deliver gate fee offered by both bidders is substantially lower than the median national gate fee. The total cost of utilising the preferred bidder composting site, including transportation from Wirral is also highly competitive.

#### **4.0 RELEVANT RISKS**

- 4.1 Awarding the contract to the preferred bidder in this report will result in the most competitive gate fee price for Wirral being secured. There are minimal risks associated with the mobilisation of the contract as it is not a frontline or customer related service. Adequate time for mobilisation of the new contract has been afforded.

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

- 5.1 An options appraisal was carried out prior to the onset of the procurement exercise and reported to Cabinet on 7<sup>th</sup> November 2013 (Minute 95 refers).
- 5.2 The report outlined a second viable option relating to in-house service delivery. Officers were instructed to carry out a feasibility study to determine the viability of this option. Restricted timescales meant that only sites with existing planning consents for Windrow Composting could be considered. Only one site on privately owned land has such consent within the Wirral boundary. Discussions with the landowner have since taken place and despite the land owner's flexibility around the future use of the site, officers determined that a joint venture with the land owner was unlikely to result in any significant savings when compared to the anticipated gate fee price arising from the procurement exercise. The land owner would have expected an annual leasing fee for the site and to be paid per tonne for any garden waste brought onto site, in return for redistributing the arising compost on neighbouring farmland as a soil improver.
- 5.3 If ran in-house, this type of operation would be best undertaken by the Parks and Countryside Service, who are currently going through a modernisation programme. It was deemed to be an inappropriate venture at this current time due to a lack of skills and resources to mobilise quickly, in time for November 2014 when the current contract expires.
- 5.4 Officers also concluded that in order to make such a venture financially viable, it would be necessary to utilise the Council's existing land/ assets. Income opportunities may also be possible by attracting third party green waste tonnage from the private landscaping and gardening industry and other local stakeholders such as housing associations and statutory land owners. It was not possible to carry out market research to quantify this in the time available.

#### **6.0 CONSULTATION**

- 6.1 A number of meetings have been held with all Merseyside Districts, the MRWA and Halton Council in order to develop the concept for a joint procurement.

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

- 7.1 There are no negative implications for voluntary, community and faith groups.

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

- 8.1 Budget provisions for green waste processing were increased in the 14/15 budget in anticipation of the Council being exposed to an increased gate fee as a result of a new tender exercise. The preferred bidder gate fee price arising from this procurement is less than the maximum anticipated value. Therefore a procurement revenue saving of £22.5k will be realised from the 14/15 waste provisions.
- 8.2 The whole life-cycle costs of the preferred bidder tender for Wirral, including bulking and haulage to the composting site compares favourably to the latest published national median gate fee for England of £24/tonne, which refers predominantly to direct deliver gate fees. The direct deliver gate fee specified by the preferred bidder is substantially less than the national median. This indicates that the collaborative procurement exercise has resulted in a very competitive tender price, offering each participating district value for money.
- 8.3 There are no staffing, IT or Asset implications.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 The collaborative procurement has been completed within OJEU rules and regulations. Sefton Council are the lead authority and are responsible for contract award.
- 9.2 Wirral Council will enter into a separate contract with the successful tenderer which will be based on the prices and terms contained in documents in or in response to the invitation to tender under the collaborative procurement process.

## **10.0 EQUALITIES IMPLICATIONS**

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

No because there is no relevance to equality.

## **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 In order to ensure the garden waste we send for treatment can be classified as “recycled” it must be treated to “PAS 100” standards. Both participants meet this standard of reprocessing.

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

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

## **13.0 RECOMMENDATIONS**

- 13.1 Cabinet is requested to:

- (i) Authorise the Strategic Director of Regeneration and Environment to liaise with Sefton Council’s Director of Streetscene and conclude the procurement exercise with the intent of entering into contract with the preferred bidder for the period of 2 years, plus 3 x one-year extension options, commencing 1<sup>st</sup> November 2014.



- (ii) Note the revenue saving of £22.5k from 2014/15 reflecting the surplus funds arising from this procurement exercise.
- (iii) Note the future possibility to carry out the composting process in-house as outlined in Section 5.1 of this report and request that the commercial viability of operating a windrow composting facility be explored within the lifetime of the new contract.

#### 14.0 REASON/S FOR RECOMMENDATIONS

14.1 The total amount of garden waste tonnage due to be processed through a joint contract is around 60,000t, compared to a maximum of 12,000t from Wirral acting alone. Therefore the collaborative procurement provides economies of scale in the form of a competitive gate fee. Notwithstanding this, it is recognised that the complete absence of a Windrow Composting facility on the Wirral Council provides a potential opportunity to explore the wider commercial benefits of setting up such a facility in the future (utilising its own assets) in order to limit the financial and environmental impacts of collecting and treating Wirral’s kerbside collected garden waste.

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#### APPENDICES

None

#### REFERENCE MATERIAL

OJEU notice 183347-2001-EN (10/06/2011) <http://ted.europa.eu/TED>

#### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Wirral Council Cabinet: Green Waste Processing Options Appraisal	7 <sup>th</sup> November 2013
Sefton Council Cabinet : Procurement of Green (Garden) Waste Composting Outlets (Item 15)	27 <sup>th</sup> February 2014

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## WIRRAL COUNCIL

**CABINET 7 JULY 2014**

<b>SUBJECT:</b>	<b>POTHOLE REPAIR FUND APPLICATION – DELEGATION OF DECISION</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>KEVIN ADDERLEY, STRATEGIC DIRECTOR REGENERATION AND ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR STUART WHITTINGHAM HIGHWAYS AND TRANSPORTATION</b>
<b>KEY DECISION?</b>	<b>YES</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 The report sets out the background to the bidding process to the Government's Pothole Fund, and in recognition of the short timescales for the acceptance of any offer from the Fund, and commitments regarding the use of such funding, proposes and recommends arrangements for delegation of the decisions to be made.
- 1.2 It is also proposed that approval is given for 'Call In' to be waived for these timescale reasons.
- 1.3 The maintenance of public highways is a statutory duty for the Council as local highway authority.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Wirral Council, along with all other local highway authorities except those with highways maintenance PFI project in place, has been invited to bid for funding from a £168 Million pothole fund recently announced by the government.
- 2.2 The application invited Councils to answer a range of questions, as well as providing supporting evidence, about how their highway networks are managed and maintained. The questions asked cover the following specific topics:
  - Highway assets data
  - Management of potholes
  - Strategy and action plans for encouraging walking
  - Management of utilities activities on the highway
  - Highway Asset Management
  - Efficiencies in delivering highway maintenance
  - Cross boundary collaboration
  - Adoption and sharing of best practice in highways management
- 2.3 The nature of the application process did not allow the Council the bid for a specific amount or describe how or where any grant allocated from the fund would be spent.

- 2.4 The Council submitted its full application for funding on 22 May, and as part of the process was required to publish that bid on its website. Accordingly, the application and all submitted supporting evidence is available to be viewed.
- 2.5 There will now follow a process of evaluation of all of the bids submitted, by Department of Transport officials, before a decision by Ministers regarding offers to be made to individual Councils. It is expected that those offers will be made, and the decisions announced early in July 2014.
- 2.6 When the Council receives an offer, it will need to declare the number of potholes that will be repaired by 31<sup>st</sup> March 2015 using the amount of money on offer within 48 hours, and will be required to sign a 'pledge' to that effect. The Council will be required to make regular progress reports on how many have been repaired each month. The details of the accepted offer, the pledge regarding the number of potholes and our progress reports will also be published to the webpage.
- 2.7 There is uncertainty regarding the amount of funding which may be offered and the precise timescale for such an offer to be made. Once such an offer is made the council will be expected to make specific commitments for use of that funding within 48 hours, which will prevent effective reporting within the appropriate decision taking arrangements in the Constitution, and as a result this report seeks to establish specific delegation arrangements for making a commitment regarding the use of the funding offered and accepting the funding on behalf of the Council.
- 2.8 Accordingly it is proposed that authority to accept any offer up to £750,000, and make a commitment regarding the use of that offered funding, be delegated to the Strategic Director of Regeneration and Environment in consultation with the Cabinet Member for Highways and Transportation. For any offer over £750,000, the Leader will take the decision regarding acceptance of such an offer, and make the commitment regarding the use of the funding offered; taking advice from the Cabinet Member and the Strategic Director of Regeneration and Environment.
- 2.9 It is further proposed that a report will be made to Cabinet, retrospectively, regarding the offer accepted and the commitments made to deliver specific numbers of road repairs.

### **3.0 RELEVANT RISKS**

- 3.1 Not meeting the criteria stipulated in the Guidance on the Application Process regarding acceptance of, and commitments regarding the use of, any offer of funding may jeopardise the funding availability.
- 3.2 The Constitution makes specific provision regarding the acceptance of such capital grants which cannot be achieved within the criteria stipulated in the Guidance on the Application Process.
- 3.3 Accordingly the proposals and recommendations set out in this report address both of these potential risks, through delegation of the decisions required at short notice.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 Delegation of all the short notice decisions to the Strategic Director of Regeneration and Environment. It is desirable to involve the Executive in the decisions, and accordingly this option is not recommended.

## **5.0 CONSULTATION**

5.1 No consultation has been carried out regarding the proposed delegation of decision.

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

6.1 There are no implications arising from this report.

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

7.1 Any grant accepted will need to be added to the Council's Capital Programme for 2014/15, and expenditure is required to be completed within this financial year.

7.2 Delivery of the repair programme using the grant will be carried out using existing staff resources to plan and manage the programme, including regular reporting on progress. The repair work will be carried out by the Council's term contractor through the Highway Services Contract.

## **8.0 LEGAL IMPLICATIONS**

8.1 Whilst the maintenance of highways is a statutory function, and the service prioritises repairs based on safety needs, it is proposed that the grant funding will be used to repair non-safety related defects in the road to address the principles of this particular fund, which is to reduce the number of road defects which are of concern to all users but which do not reach safety intervention criteria in the Council's Highways Maintenance policy.

## **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 no implications arising from this report.

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

11.1 There are no implications arising from this report.

## **12.0 RECOMMENDATION/S**

12.1 Cabinet is requested to:

- (i) Approve the delegation to the Strategic Director of Regeneration and Environment, of the acceptance of any grant offered and commitments regarding repair works funded from the Pothole Repair Fund, up to a works value of £750,000 (excluding VAT), in consultation with the Cabinet Member of Highways and Transportation.

- (ii) Approve the delegation to the Leader of the Council, of the acceptance of any grant offered and commitments regarding repair works funded from the Pothole Repair Fund, where the offer of the works value exceeds £750,000 (excluding VAT), in consultation with the Cabinet Member for Highways and Transportation and the Strategic Director of Regeneration and Environment.
- (iii) Approve the waiving of 'Call In' for the timescale reasons stated in this report.
- (iv) Invite the Strategic Director for Regeneration and Environment to present a retrospective report for Cabinet at the earliest opportunity which confirms the amount of funding from the Pothole Repair Fund offered and accepted and the commitments made regarding the use of that funding.

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

13.1 The award acceptance criteria stipulated in the application guidance for the Pothole Fund do not allow routine reporting for decisions from Cabinet within the timescales set out in the Council's Constitution and accordingly the recommendations allow effective delegation to ensure that decisions are made at the appropriate level to meet those award acceptance criteria.

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**APPENDICES**

None

**REFERENCE MATERIAL**

The Government announcement regarding the Pothole Repair Fund can be viewed at:

<https://www.gov.uk/government/news/councils-urged-to-apply-for-168-million-pothole-repair-fund>

The Council's application and supporting documentation can be viewed at:

<http://www.wirral.gov.uk/my-services/transport-and-streets/roads-highways-and-pavements/highway-maintenance/pothole-fund-bid>

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date
None	

## WIRRAL COUNCIL

### CABINET

7 JULY 2014

<b>SUBJECT:</b>	<b>Equality Plan 2014-2017</b>
<b>WARD/S AFFECTED:</b>	<b>All Wards</b>
<b>REPORT OF:</b>	<b>Chief Executive, Graham Burgess</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>Leader of the Council, Councillor Phil Davies</b>
<b>KEY DECISION?</b>	<b>Yes</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The Public Sector Equality Duty (PSED) 2011 states that public bodies must consider all individuals when carrying out their day-to-day work – in shaping policy, in delivering services and in relation to their own employees.
- 1.2 This report seeks Cabinet approval for the publishing and implementing of a new Council Equality Plan 2014-2017 (**please see Appendix 1**), in line with the PSED 2011.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The PSED 2011 requires that public bodies:
- have due regard to the need to eliminate discrimination
  - advance equality of opportunity
  - foster good relations between different people when carrying out their activities
- 2.2 The Council must publish relevant, proportionate information showing compliance with the PSED 2011, and set equality objectives at least every 4 years.
- 2.3 It is proposed that the equality objectives set out in Appendix 1 will not only ensure PSED 2011 are met, but will also enable the Council to be assessed at ‘excellent’ level of the Equality Framework for Local Government.

#### 3.0 RELEVANT RISKS

- 3.1 If the requirements of the PSED 2011 are not met, the Council could be at risk of legal challenge from staff, customers, residents and the Equality & Human Rights Commission.

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

4.1 The proposed Equality Plan 2014-2017 incorporates all the requirements of the PSED 2011.

#### **5.0 CONSULTATION**

5.1 No consultation is required. The proposed Equality Plan 2014-2017 incorporates the requirements of the PSED 2011 legislation.

#### **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 None.

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

7.1 The Voluntary, Community and Faith Sector will be key partners to support delivery of the objectives within the proposed Equality Plan 2014-2017.

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

8.1 The proposed Equality Plan 2014-2017 will be delivered utilising existing resources

#### **9.0 LEGAL IMPLICATIONS**

9.1 If the requirements of the PSED 2011 are not met, the Council could be at risk of legal challenge from staff, customers, residents and the Equality & Human Rights Commission.

#### **10.0 EQUALITIES IMPLICATIONS**

10.1 The proposed Equality Plan 2014-2017 will be the driver to promote equalities across the Council and ensure it meets the requirements of the PSED 2011.

#### **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

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

12.1 None

#### **13.0 RECOMMENDATION/S**

13.1 That Cabinet approves the publishing and implementation of the Council's new Equality Plan 2014-2017.

#### **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 To ensure the Council meets the requirements of the PSED 2011.



**REPORT AUTHOR:**

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**APPENDICES**

**BACKGROUND PAPERS/REFERENCE MATERIAL**

Appendix 1 Equality Plan 2014-2017

**BRIEFING NOTES HISTORY**

Briefing Note	Date

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date

# Equality Plan 2014-2017

May 2014

Wirral council is committed to making information accessible to everyone. You can visit your local one stop shop or telephone our call centre on (0151) 606 2020 for support and advice if you need information translated or in another format such as large print, Braille or audio.

مجلس ویرال Wirral ملتزم بیامكانية توفير المعلومات ليتمكن الحصول عليها بواسطة كل فرد. يمكنك الذهاب الى وحدة الخدمات المتعددة او اتصل تلفونياً على مركزنا للاتصالات على الرقم 2020 606 (0151) للمساعدة والنصح إذا ترغب في المعلومات مترجمة او في شكل آخر كالكتابه بخطوط كبيرة، بكتابة بريل او شريط كاسيت.

(Arabic)

উইরাল কাউন্সিল সকলের কাছে তথ্য পৌছে দেওয়ার জন্য দায়বদ্ধ। আপনি আমাদের ওয়াল-স্টপ-শপে ভিজিট করতে পারেন বা আমাদের কল সেন্টারে (0151) 606 2020 –এই নম্বরে সাহায্য ও পরামর্শের জন্য ফোন করতে পারেন যদি আপনি তথ্য অনুবাদিত, অন্য ফরম্যাটে, বড়ো হরফে ছাপায় বা ব্রেইল লিপিতে পেতে চান।

(Bengali)

偉盧鎮議會致力為所有人士提供資訊。如果您需要某些資料翻譯成其他語文或編制成其他模式的版本（如大字體、凸字或錄音帶），您可以到就近的「一站店」或致電「傳訊中心」（0151606 2020）查詢。

(Mandarin)

Tá Comhairle Wirral tiomanta le heolas a chur ar fail do gach duine. Is féidir leat cuairt a thabhairt ar an ionad ilfhreastail is áitiúla duit nó glaoch a chur ar an lárionad glaonna s'againn ar (0151) 606 2020 chun tacaíocht agus comhairle a fháil má tá eolas de dhíth ort aistrithe nó i bhfoirm éigin eile, mar shampla, cló mór, Braille nó closmheáin.

(Gaelic)

विरल कौंसिल, सभी लोगों के लिए जानकारी को पहुंचयोग बनाने के लिए वचनबंध है। यदि आपको किसी जानकारी के हिन्दी में अनुवाद की या किसी और रूप में जैसे कि बड़े अक्षरों में छापाई, बरेल में या कैस्टि के रूप में आवश्यकता हो तो सलाह और मदद प्राप्त करने के लिए आप अपनी स्थानीय वॉन स्टाप शाप में जा सकते हैं या इस नम्बर पर (०१५१) ६०६ २०२० पर हमारे किसी भी एक काल सेंटर में टैलीफोन कर सकते हैं।

(Hindi)

Rada Miejska Wirral stara się, aby informacje były dostępne dla wszystkich. Mogą Państwo odwiedzić miejscowy ośrodek informacyjny (one stop shop) lub zadzwonić do naszego biura obsługi klienta pod numer telefonu (0151) 606 2020 po wsparcie i porady, jeśli informacje wymagane są w innym języku lub formacie, np dużym drukiem, w wersji audio lub w alfabecie Braille'a.

(Polish)

ਵਿਰਲ ਕੌਂਸਲ ਸਾਰਿਆਂ ਲਈ ਜਾਣਕਾਰੀ ਪਹੁੰਚਯੋਗ ਬਣਾਉਣ ਲਈ ਵਚਨਬੱਧ ਹੈ। ਜੇ ਤੁਹਾਨੂੰ ਜਾਣਕਾਰੀ ਦੇ ਪੰਜਾਬੀ ਵਿੱਚ ਤਰਜਮੇ ਦੀ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿੱਚ ਜਿਵੇਂ ਕਿ ਵੱਡੇ ਅੱਖਰਾਂ ਵਿੱਚ ਛਪਾਈ, ਬਰੇਲ ਵਿੱਚ ਜਾਂ ਕੈਸਟ ਦੇ ਰੂਪ ਵਿੱਚ ਲੋੜ ਹੈ ਤਾਂ ਸਲਾਹ ਅਤੇ ਸਹਾਇਤਾ ਲੈਣ ਲਈ ਤੁਸੀਂ ਆਪਣੀ ਸਥਾਨਿਕ ਵੌਨ ਸਟਾਪ ਸ਼ੌਪ ਵਿੱਚ ਜਾ ਸਕਦੇ ਹੋ ਜਾਂ ਇਸ ਨੰਬਰ (0151) 606 2020 ਤੇ ਸਾਡੇ ਕਿਸੇ ਕਾਲ ਸੈਂਟਰ ਵਿੱਚ ਟੈਲੀਫੋਨ ਕਰ ਸਕਦੇ ਹੋ।

(Punjabi)

Gollaha Wirral waxa uu isku xil-saarey in uu wargelinta ka yeelo wax uu qof walba heli karo. Waxa aad booqan kartaa Dukaanka Hal-Mar-Joogsiga ah ee xaafadaada ama sooba wac xarruuntayada soo wicitaanka oo laga helo (0151) 606 2020 si aad tageero iyo la tallin uga hesho haddii aad u baahan tahay in wargelinta luqad kale loogu turjumo ama looga soo dhigo qaab kale sida far waaweyn, farta ee Braille ama cajallad maqal ah.

(Somali)

ویرال کونسل معلومات کو برائے ایک کیلئے قابل رسائی بنانے کیلئے پابند عہد ہے۔ اگر آپ کو معلومات ترجمہ شدہ یا کسی دیگر شکل جیسے بڑے حروف، بریل یا آڈیو کی شکل میں مطلوب ہو تو آپ مدد اور مشورے کیلئے اپنے مقامی ون اسٹاپ شاپ پر آسکتے ہیں یا ہمارے کال سنٹر کو (0151) 606 2020 پر فون کریں۔

(Urdu)

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## **Foreword by Councillor Phil Davies (Leader of Wirral Council) and Graham Burgess (Chief Executive of Wirral Council)**

This three year Equality Plan will underpin everything that we do to achieve our vision and priorities.

Wirral is a unique place, home to a growing population of 319,800 people, including 190,000 people of working age and over 8,000 businesses providing employment for 105,800 people.

Most people who live in Wirral enjoy an outstanding quality of life, with excellent housing, schools and a high quality environment. However, there is a strong contrast between the older, highly urbanised areas of Birkenhead and Wallasey, which contain some of the poorest communities in England, and the wealthier commuter settlements in the west of Wirral.

Wirral's neighbourhoods range from the some of the most deprived in the country (around St James Church in Bidston) to one of the most affluent, or least deprived, in South West Heswall less than six miles away. 21 areas in Wirral fall into the highest 3% in England in terms of levels of child poverty, with a total of 58 areas in the highest 20%. This results in serious quality of life and health inequalities, including a completely unacceptable difference in life expectancy of 9.7 years for females and 14.6 years for males depending on whether a person lives in Birkenhead or Heswall.

We are determined to not just comply with equality legislation. We will ensure that everyone is treated fairly, has access to appropriate excellent quality services, and can take part in shaping Wirral's future.

### **Our vision for Wirral**

'Wirral should be a place where the vulnerable are safe and protected, where employers want to invest and local businesses thrive, and where good health and an excellent quality of life is within the reach of everyone who lives here.'

We promise to support this vision by serving our residents, improving our organisation through working in partnership, and by becoming the excellent Council that our residents deserve.

We will also follow 3 principles which underpin and focus the activity of the Council:

1. Local solutions, local decisions
2. Promoting independence
3. Driving growth and aspiration

## **Equality Policy Statement**

We will be focussed upon serving and protecting local people and in particular those who are most vulnerable and in need. We will do this through the engagement and empowerment of individuals and communities in both the design and delivery of services, and by working in partnership with the public, private and social sectors.

We recognise that Wirral's communities are not homogenous, different communities and individuals within these communities will have different needs and we will work to ensure that these needs are not defined by stereotyping or presumptions.

We will ensure we fully identify and consider the rights and needs of people when planning and delivering services, and will consult and work in partnership with communities when developing policies and practices with equality implications.

We will promote a culture in which there is respect for others, an understanding between different communities, and an appreciation of difference and similarities.

We will monitor the progress of this Equality Plan via regular reports to the Chief Executive's Strategy Group and Cabinet Member for Governance and Improvement.

## **Statements for Equality Groups**

### **Disabled People**

We are committed to promoting equality for disabled people and to remove barriers wherever they occur, in relation to education, employment, housing, transport, leisure, training and access to services, information and buildings.

### **Lesbian, Gay and Bisexual People**

We are committed to promoting equality for lesbian, gay and bisexual people who may be less visible people in our communities and whose needs often go unidentified and unmet. This is exacerbated by the fear of prejudice, discrimination, harassment and violence, which can prevent lesbian, gay and bisexual people from being "out" about their sexual orientation.

### **Race**

We are committed to promoting equality for Black and Minority Ethnic people who experience discrimination because of their race; ethnicity; colour; culture; nationality; asylum seeker or refugee status; or because they are migrant workers or from Gypsy and Traveller communities.

### **Religion and Belief**

We respect the rights of individuals to practise their religion, or religious or philosophical beliefs, without fear of intimidation, harassment or violence.

### **Transgender**

We are committed to promoting equality for transgender people who, like other minority groups, can encounter bias and discrimination in everyday activities such as travelling on public transport and when accessing employment and services.

## **Women and Men**

We are committed to promoting equality for men and women who, despite over 40 years of legal rights to gender equality, can still face barriers in accessing services and be disadvantaged by gender stereotyping in employment and education.

## **Younger People and Older People**

We are committed to promoting equality of opportunity for younger and older people. We recognise that parts of society have negative attitudes, stereotypes and myths about younger people and older people and that these attitudes can lead to both younger people and older people being socially and economically disadvantaged, excluded and marginalised.

## **The Legislative Context**

Legislation is a key driver for employment practice and service delivery within the Council. We have a wide range of policies and procedures that cover employment practice. These policies are subject to review using a programme of equality impact assessments.

## **Anti-discrimination Legislation**

We will comply with all anti-discrimination legislation including:

- Human Rights Act 1998
- Carers (Equal Opportunities) Act 2004
- Civil Partnership Act 2004
- Gender Recognition Act 2004
- Work and Families Act 2006
- Equality Act 2010
- Marriage Act 2014

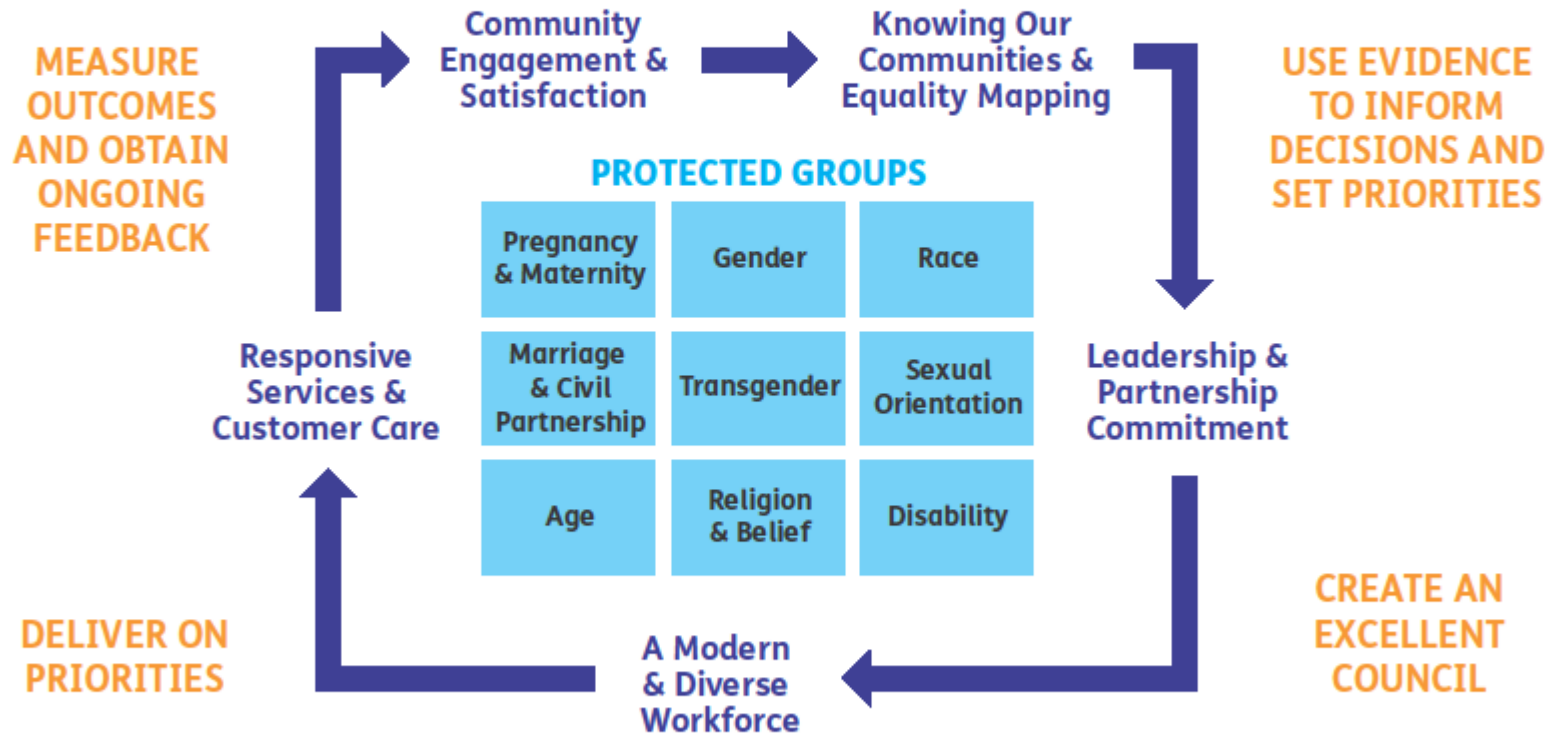
The Equality Act (2010) is now the principal equality legislation and refers to “relevant protected characteristics” which covers:

- Age
- Disability
- Transgender
- Maternity and pregnancy
- Marriage and civil partnership
- Race, ethnic or national origin, colour or nationality
- Religious or other philosophical beliefs (and people without such beliefs)
- Gender
- Sexual Orientation

The Equality Act (2010) also refers to the following aims:

- To eliminate unlawful discrimination, harassment and victimisation
- To advance equality of opportunity between persons who share a protected characteristic and persons who do not share it
- To foster good relations between persons who share a protected characteristic and persons who do not share it.

# HOW THE EQUALITY PLAN WILL WORK:





## Equality Objectives 2014-2017

### 1. Knowing Our Communities & Equality Mapping:

- 1.1 We will develop a partnership approach to monitoring immigration and migration levels.
- 1.2 We will review and further monitor our anti-hate crime activities and outcomes, to increase confidence across diverse communities that hate crimes are being dealt with effectively.
- 1.3 We will develop a partnership approach to capturing case studies of where the most vulnerable people and those most in need are being recognised for the talents and assets they have.
- 1.4 We will review and further monitor our community resilience activities and outcomes.
- 1.5 We will capture case studies regarding community needs and aspirations from all equality groups and use the information to inform planning.
- 1.6 We will collate good quality equality profiling information of our communities, comparing local and national data with our partners.

### 2. Leadership & Partnership Commitment:

- 2.1 We will be assessed as reaching 'excellent' level of the Equality Framework for Local Government.
- 2.2 We will continue to complete equality impact assessments to inform our policy and decision making.
- 2.3 We will ensure equality and social value considerations are included within our Commissioning Strategy
- 2.4 We will develop a shared vision and priorities for equality in Wirral with our key partners.
- 2.5 We will share our best practice and experience with others to develop good practice across the public sector, and benchmark ourselves against comparable others.

## Equality Objectives 2014-2017

### 3. A Modern & Diverse Workforce:

- 3.1 We will develop best practice models for analysing and publishing workforce equality profiling information.
- 3.2 We will capture case studies regarding staff experiences and satisfaction levels from all equality groups.
- 3.3 We will capture case studies regarding staff needs and aspirations from all equality groups.
- 3.4 We will encourage and monitor the implementation of the Living Wage across Wirral.
- 3.5 We will develop a best practice model for addressing under-representation within the workplace.
- 3.6 We will develop best practice models for implementing flexible working, skills improvement and career pathways.
- 3.7 We will capture case studies of positive outcomes from mitigation action.
- 3.8 We will review Occupational Health related issues and outcomes regarding the workforce.
- 3.9 We will review the implementation of Equal Pay across the Council.
- 3.10 We will review the process for recording, implementing and reviewing staff reasonable adjustments.
- 3.11 We will ensure that staff are confident that the Council deals with any harassment or bullying at work effectively.
- 3.12 We will ensure that staff are competent and confident in dealing with equality issues.
- 3.13 We will monitor progress of our Workforce Strategy
- 3.14 We will include equality and diversity within our staff appraisal process

## Equality Objectives 2014-2017

### 4. Responsive Services & Customer Care:

- 3.11 We will ensure Gypsies and Travellers have appropriate service provision for when visiting Wirral.
- 3.12 We will develop a more effective and efficient process for accessible information.
- 3.13 We will develop best practice models for analysing and publishing customer equality profiling information.
- 3.14 We will capture case studies regarding customer experiences and satisfaction levels from all equality groups.
- 3.15 We will review the process for recording, implementing and reviewing customer reasonable adjustments.
- 3.16 We will monitor the implementation of the Customer Access Strategy

### 5. Community Engagement & Satisfaction:

- 5.1 We will develop a best practice model for encouraging and measuring community participation rates and volunteering, among protected equality groups.
- 5.2 We will develop a best practice model for encouraging and measuring community scrutiny of the Council's work among protected equality groups.
- 5.2 We will work with key sections of the community to ensure they are satisfied that the Council and partners have listened to them and taken their views into account.

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**WIRRAL COUNCIL**

**CABINET**

**7<sup>TH</sup> JULY 2014**

<b>SUBJECT:</b>	<b><i>TRANSFORMATION OF LEISURE SERVICES SPORTS AND LEISURE FACILITIES PRICING STRUCTURE</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>STRATEGIC DIRECTOR FAMILIES AND WELLBEING</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR CHRIS MEADEN</i></b>
<b>KEY DECISION</b>	<b>YES</b>

**1.0 EXECUTIVE SUMMARY**

- 1.1 In September 2013, Cabinet approved the outline of the Leisure Transformation Plan, which required savings in excess of £2m to be delivered by the end of the financial year 2015/16. Considerable progress has been achieved including the development of a £2m capital improvement scheme which will see major improvements to Leisure Centres in the upcoming year.
- 1.2 Current prices for activities at the leisure facilities are very competitive when compared to other local authorities in the area and the discounts provided by the Council in the form of concessions are amongst the most generous in the region. At present, all of the discounts are available to everyone, whether or not they live in Wirral. Even after the proposed changes, the Council will still be offering generous concessions when compared to other local authorities in the region.
- 1.3 The Council is determined to make all leisure facilities accessible and affordable and to continue to protect the most vulnerable people in the area. The challenge is how to maximise income (especially at peak times), without making the facilities unaffordable to those for whom price is a genuine barrier to access.
- 1.4 The current pricing policy has evolved over many years, and is quite complex and needs to be simplified. Prices need to be standardised across all Leisure Centres and we need to be able to promote a very competitive and fair membership offer, which also allows the Leisure Centres to maximise income from those who can afford to pay a fair market price.

- 1.5 At present, anyone over 60 or under 18 receive a discount (currently up to 50%), irrespective of where they live. Almost all local authorities now only offer major concessionary discounts to local residents.
- 1.6 This report identifies a range of proposals which will increase the income generated at the Leisure Centres whilst achieving the Council's commitment to protect the most vulnerable and continue to offer some of the most generous special discounts to targeted groups of local people at specified times. If accepted, the new pricing policy will help to reduce the leisure subsidy further, but will also provide excellent value for money in facilities which will see over £2m of major investment from the Council within the next twelve months.
- 1.7 Price is not the main consideration when promoting the use of Leisure Centres for sport and physical activity to inactive people. The service needs to maximise revenue to ensure that the Council can continue to improve quality and afford to deliver the £2m investment programme and have sufficient funding to provide a range of highly targeted promotions and other activities which will encourage more local people to improve their health and wellbeing.
- 1.8 If implemented, the changes are anticipated to deliver an additional £500,000 worth of income between implementation and the end of the financial year 2016/17.

## **2.0 BACKGROUND AND KEY ISSUES**

### **2.1 Sports and Leisure provision in the Wirral**

- 2.1.1 Members were presented with a report in September 2013, that set out a range of challenges that need to be met if the service is to be affordable and viable within the increasingly challenging financial context. One of the key aims of the transformation programme is to improve the quality of the facilities and the service offered to customers and to generate more income, but not at the expense of those who are most vulnerable. The overall aim is to generate more usage and revenue at peak times and to use concessionary pricing in a much more targeted and focused way, by targeting specific groups of local people for whom price is a genuine barrier to access.
- 2.1.2 The current pricing structure, membership benefits package and the range of concessions / discounts have evolved over many years and are complex and difficult to market and administer. Discounts are available to non-Wirral residents for casual pay and play activities, including casual swimming. In 2013/14 around 48% of the income generated was discounted. (60% of paid users are currently eligible for some form of concession)
- 2.1.3 The Council is not generating as much revenue as we can from the highly subsidised facilities and services we provide. Managers need to

be given the opportunity to use pricing more strategically, within a general policy set out and agreed by Elected Members.

2.1.4 The proposals presented aim to;

- a) Ensure that our Leisure Centres remain affordable and accessible to the most vulnerable people who live in Wirral.
- b) Target concessionary prices at those for whom price is a genuine barrier to access – rather than making free or highly subsidised use available (even at peak times) to people who are economically active and able to pay a fair market price.
- c) Rebalance the price structure to allow the service to maximise income in order to achieve the necessary return on the £2m investment programme which is currently underway.
- d) Retain more peak time capacity for full paying members.
- e) Modernise the concessionary pricing to reflect the reality that older people are remaining active and in employment until an older age, and that not all people aged over 60 are economically disadvantaged.
- f) Retain some of the best value pricing for memberships and activities in the region.
- g) Remove the complexity within the existing Invigor8 membership offer.
- h) Those who can afford to pay a reasonable “fair market price” should do so; especially at peak times.

### 3.0 PROPOSALS

3.1.A number of proposals are presented to Cabinet to deliver a modernised programme of concessions and pricing. These are listed below.

3.1.1 At present the Council uses the “Passport A” scheme to provide validation for local people who are entitled to concessionary prices due to the fact that they meet one or more of the following criteria ;

- Resident in Wirral
- Income Support/Income Related Employment & Support Allowance
- Income Based/Contribution based Job Seekers Allowance
- Council Tax Support
- Housing Benefit
- Incapacity Benefit/Contributory
- Employment and Support Allowance
- Working Tax Credit
- Child tax Credit (income limit applies)
- Full Time Students
- Apprenticeships
- Work-based Learning for young People
- Dependant partner/child those in any of the above groups
- Residents age 60+

The Passport is used to access a 50% discount which applies to “pay and play ” activities and to access discounts for Invigor8 memberships. Passports need to be renewed each year and currently costs each customer £5.00.

3.1.2 The proposals in this report aim to standardise prices for all casual pay and play activities and introduce a maximum discount of 25% for all Wirral “Passport A” customers, which currently includes people who are in receipt of any of the benefits set out above

3.1.3 An adult who is currently purchasing an Invigor8 product in conjunction with a Passport A, will therefore be paying £14.75. (The current full price of an Invigor8 product is £29.50. A Passport A entitles the customer to a 50% reduction - £14.75). The new proposal would allow the customer to purchase an ‘Invigor8 Standard’ (see Appendix 1) for £15.00 (without having to purchase a Passport A), which allows for unlimited public swimming and access to a range of other facilities at ‘off-peak’ times.

3.1.4 This proposal would also include removing the ‘Residents aged 60+’, from the entitlement criteria outlined in 3.2.2 below.

## 3.2

3.2.1 At present, people aged 60 or over benefit from very generous concessions, whether or not they live in the Wirral, whereas in many other Council’s, these concessions are only available to people aged 65 or older who are residents of that Council area. Many people who are aged 60 – 65 are still in employment and they are economically active. This age group can be relatively affluent and many are able to afford to pay a fair market price for activities.

3.2.2 The proposal is that from September 2014 the general concession available to everyone over 65 be limited to Wirral residents, who join the Passport A scheme (using proof of residence). They will benefit from free swimming, (Monday between 7am and until 12.00 noon) plus a discount of up to 25% on all other “pay and play” activities.

3.2.3 Current Passport A holders who are aged 60-65 will not lose their existing benefits.

## 3.3

3.3.1 At present, all current serving and former armed service personnel receive free use of facilities at all Leisure Centres, at all times. Currently 2,400 individuals have registered for this generous concession.

3.3.2 The proposal is to target the free use benefit to current serving members of the armed forces (including the Territorial Army and reservists) who are from Wirral and for former service personnel who have suffered a disabling injury when in the services and/or in receipt of a disability benefit.



In addition, a new programme of support will be available for currently serving members of the armed services and injured / disabled former service personnel which will include one to one gym instruction and a regular newsletter which will be developed with other agencies and departments to help to ensure they receive every support possible to reflect the Council's complete commitment to support people who rightly serve our utmost respect and support.

3.3.3 Those who currently have the benefit of free use but who would not qualify under the new policy will be given access to a discount of up to 25% on the corporate Invigor8 membership.

3.3.4 This package of support will remain one of the most extensive concessions in the region for armed forces personnel and will commence from September 2014.

### 3.4

3.4.1 People aged under 18 currently benefit from major discounts in Wirral, regardless of where they live. In most other Council's, these discounts are available to people aged 16 and under (generally, those in full time education), and only to local residents (including resident students).

3.4.2 This proposal is to reconfirm the Council's commitment to providing free swimming for juniors/under 18's during all main school holiday periods. Figures indicate that the free swimming initiative has increased young people's health and wellbeing and has had a significant effect on reducing crime and anti social behaviour in and around Leisure Centres of up to 50% (within a 1 km radius).

3.4.3 This proposal also reconfirms the current 40% concession available to young people aged 18 or under on all 'pay and play' activities, providing they are residing in Wirral, (including resident students).

3.4.4 From July 2014, the concession (free swimming and the 40% 'pay and play' discount) will not be available to young people who do not live in Wirral.

3.5.1 Looked After Children, their siblings and carers currently enjoy free access to all facilities at all Leisure Centres. There is no proposal to change or alter this concession

### 3.6

3.6.1 The £2m investment programme will deliver two new fitness centres by January 2015 and demonstrates the Council's commitment to improving opportunities for local people to participate in sport and physical activity. This presents an opportunity to re-launch and revitalise the well-established and increasingly popular Invigor8 scheme.

3.6.2 The proposal is to introduce new offers from September 2014 across the Invigor8 brand incorporating an “All inclusive” and “Family Pass”. (see Appendix 1) The proposals aims to simplify a complicated price structure yet maximise income and protect concessions to targeted groups and individuals.

3.6.3 The new pricing and changes to member benefits will be introduced to coincide with the opening of new fitness facilities at Guinea Gap and West Kirby Concourse. This will allow sufficient time to communicate the changes and market the new member benefits and to allow officers more time to agree the details with Elected Members.

#### 4.0 Financial Impact

4.1 New membership packages will be designed to protect concessions for the most vulnerable people as set out earlier in this report, and to maximise revenues generally and specifically from the extra capacity and income from full paying customers at peak times, that will become available as a result of the £2m investment programme.

4.2 Invigor8 benefits will include the Golf offer, which is currently not marketed effectively. Economically active adults who exercise predominately on weekday evenings will be encouraged to purchase the Invigor8 plus and inclusive packages that will continue to offer unlimited use during peak times and the addition of Golf activity discounts.

4.3 Economically active adult people should now respond very positively to the £2m investment programme which will deliver vastly improved fitness suites, changing areas, studios and activity classes especially at peak times. With good publicity and marketing combined with an effective new Group Fitness Manager and sales team, we should anticipate a significant improvement in Invigor8 membership sales and retention by the end of 2014/15.

4.4 Wirral Passport A members will see a reduction in their ‘pay and play’ discount, but if they convert to the Invigor8 standard package they will be able to enjoy the same level of discount - albeit only at off peak times. This will still represent one of the most generous concessionary pricing structures in the area.

4.5 The aim is to increase participation from all user types and the new membership packages will appeal to a wider cross section of Wirral’s communities protecting opportunities to access affordable and accessible healthy physical activity, in high quality facilities.

#### 5.0 CONSULTATION

5.1 Consultation has been undertaken with colleagues in finance, with facility managers at all levels and with the members of the Leisure Transformation Board. If the general principals are agreed, further consultation will commence with wider stakeholders. In addition, discussions have been held with the Leader of the Council and the Cabinet Member with responsibility for Leisure; and the Strategic Director – Families and Wellbeing.

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

6.1 There are no detrimental impacts on voluntary, community and faith groups.

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

7.1 The 2013/14 cost of providing sports and leisure facilities needs to be reduced by over £2m by the end of 2016/17, and the changes to pricing policy that are recommended are anticipated to deliver around £500,000 in extra income to accrue between implementation and the end of 2016/17. With any pricing review, there will be “winners and losers”, and difficult choices will have to be made. If the Council does not decide to implement transformational changes to the pricing structure the major budget reductions attributed to the service over the next two years will not be delivered.

## **8.0 LEGAL IMPLICATIONS**

8.1 This report is based on the structure of delegation

## **9.0 EQUALITIES IMPLICATIONS**

9.1 Equality Impact Assessment included for consideration..

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are no carbon reduction implications.

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

11.1 Planning permission not required.

## **12.0 RECOMMENDATION/S**

It is recommended that this revised pricing policy presents a more targeted approach to the offer of concessions to specific groups of people for whom price is a genuine barrier to access. It targets concessions at Wirral residents, and will maximise income in general and specifically from the extra capacity that will be generated from the £2m investment programme.

Members are asked to approve the general approach and key principles, as set out below. Delegation will be required for officers in consultation with the Portfolio Holder for Leisure and the Leisure Transformation Board to complete the details of the new pricing and Invigor8 scheme, and to implement agreed changes.

The general principles and policy aims can be described as follows;

- Identify and deliver changes to the pricing and concessions policy that can deliver additional income of £500,000 by the end of 2016/17 as part of the Leisure Transformation Programme and savings requirement of £2m.
- Maximise the revenue that can be generated from the increase in quality and capacity that will be delivered by the £2m investment programme.

- Preserve the Council's commitment to providing high quality facilities and services which are affordable and accessible.
- Target concessions at people who live in Wirral.
- Target concessions at those for whom price is a genuine barrier to access.
- Simplify and standardise prices for all casual pay and play activities so that the pricing policy can be communicated and marketed far more effectively.
- Provide a discount of at least 25% on pay and play activities for Older People (aged 65 + years), Young People aged under 18 and students in full time education, the registered disabled and people on benefits and all former armed service personnel.
- Change the Invigor8 membership benefits package to introduce new products to launch from September 2014, that introduces peak/off peak memberships, with the effect that Passport holders have their access restricted to off peak times unless they chose to pay an additional "peak time" supplement of £2 per session.
- Protecting the free / reduced price access for Passport holders for all activities at all facilities for off peak usage
- Retain free swimming during school holidays for Young People aged under 18 who live in the Wirral.
- Retain free swimming during morning times (Monday to Friday 7am – 12noon) for Older persons who live in Wirral.
- Target free use for currently serving and members of the Armed Forces (including the territorial army and reservists) who are from Wirral and former service personnel who have suffered a disabling injury when in the services and are in receipt of disability benefit. Retain present Armed Forces discounts until September 2014. Those who will no longer meet the criteria after this date convert to Corporate Invigor8 Membership, with the benefit of a discount of at least 25%.
- Introduce a new programme of one to one support for all qualifying service personnel and work more closely with other agencies to produce a newsletter offering advice and support and promoting other benefits.
- Protect all concessions and discounts for Looked After Children, their siblings and carers.
- Protect free swimming for all children under 5, as at present.
- Protect the benefit of unlimited swimming as part of the relevant Invigor8 packages.

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

13.1 The recommendations are being made as they will enable the Council to meet its aim of ensuring Leisure Services will be delivered through an efficient and effective service model in line with corporate priorities.

Leisure Services will be offered which meet the requirements of the Wirral community now and in the future in a sustainable and viable way.

**REPORT AUTHOR:** *(Clare Fish)*  
*(Strategic Director – Families and Wellbeing)*  
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**APPENDICES**

1

**REFERENCE MATERIAL**

*None*

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet September 2013 Leisure Transformation report</b>	



## INVIGOR8 MEMBERSHIP PRODUCTS APPENDIX 1

### Invigor8 Indusive

- **Unlimited free public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Unlimited free Golf** (*Applicable to Wirral Municipal Courses only*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **50% off Badminton** (*single court hire*)
- **50% off Squash** (*single court hire*)
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Access to running track at Oval Leisure Centre**
- **Advanced 8 day booking**
- **25% off Sailing Courses at Wirral Sailing Centre**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£34 per month**

### Invigor8 Plus

- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **25% off single court hire**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£29 per month**

### Invigor8 Standard

- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites** (**Mon – Fri 9.00am – 5.00pm and all day Saturday and Sunday**)
- **Over 280 wet and dry exercise classes per week**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£15 per month**

## Equality Impact Toolkit (new version February 2012)

**Section 1:      Your details**

Council officer:

Email address:

Head of Service:

Chief Officer:

Department:

Date:

**Section 2:      What Council function / proposal are being assessed?****Section 2b:      Is this EIA being submitted to Cabinet or Overview & Scrutiny Committee?**

Yes / No

If 'yes' please state which meeting and what date

.....

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

.....



**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.

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

- a) Add a hyperlink to your published EIA on the Council website? (section 2b)
- b) Include any positive impacts as well as negative impacts? (section 5)
- c) Send this EIA to [equalitywatch@wirral.gov.uk](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?

*Before you finalise this report, please delete section 9*



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- **Unlimited free public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Unlimited free Golf** (*Applicable to Wirral Municipal Courses only*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **50% off Badminton** (*single court hire*)
- **50% off Squash** (*single court hire*)
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Access to running track at Oval Leisure Centre**
- **Advanced 8 day booking**
- **25% off Sailing Courses at Wirral Sailing Centre**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£34 per month**



- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **25% off single court hire**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£29 per month**



- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites (Mon – Fri 9.00am – 5.00pm and all day Saturday and Sunday)**
- **Over 280 wet and dry exercise classes per week**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£15 per month**

## Invigor8 Corpora

- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **25% off single court hire**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

**£22.50 per month**

## Invigor8 Teen/

- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites** (*Teen specific sessions apply*)
- **Over 200 wet and dry exercise classes per week**
- **A range of Teen specific activities**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Use of the track at the Oval Leisure Centre**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **50% off any Invigor8 school holiday activities**

**£15 per month**

## Invigor8 Families

- **Available to 2 x Adults & 2 x under 18's**
- **Adults receive benefits of Invigor8 Plus Membership**
- **Under 18's receive benefits of Teen/ Junior Invigor8** (*dependant upon age*)
- **Unlimited Family Swimming** (*Europa's Fun Pool £2 surcharge per visit*)

**£60 per month**



## WIRRAL COUNCIL

### CABINET

**7<sup>TH</sup> JULY 2014**

<b>SUBJECT:</b>	<b>TRANSFORMATION OF LEISURE SERVICES AND RESULTS OF SOFT MARKET TESTING OF GOLF COURSES OPERATED BY THE COUNCIL.</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR FAMILIES AND WELLBEING</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR CHRIS MEADEN</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report highlights the results of the soft market testing exercise completed in May 2014 which demonstrated interest from specialist golf operators in taking over the management and maintenance of the Wirral golf courses excluding Hoyake Municipal Golf Course. The market response indicates that it is possible to protect the Council's requirement for affordable and accessible "pay and play" golf whilst eliminating Council subsidy, which is currently £330k per annum including course maintenance.
- 1.2 This report seeks approval to progress to the next stage , which involves a more formal procurement process to secure detailed proposals for the granting of a lease and concession agreement for up to 25 years . No final decision or commitment is required at this stage. If approval is given, more detailed engagement with staff, trade unions and other stakeholders will commence.
- 1.3 Other Council's have found that similar arrangements can eliminate subsidy entirely (and in some cases attract a concession income for the Council). Liverpool City Council have achieved this recently and the arrangement will also generate investment in the courses and facilities whilst protecting affordable and accessible pay and play golf for local people.
- 1.4 The market response to the soft market testing indicated that operators will only be willing to take full trading risk if they manage and maintain the courses and operate the golf concession. The standards required for course maintenance will be set out in the formal agreements, but clearly the operators will expect to provide high quality in order to achieve the level of usage they will need for the concession to be viable.

- 1.5 Currently, the Council operates and maintains the following Golf facilities;
- Arrowe Park Golf Course;
  - Hoylake Golf Course (note that this course was excluded from the scope of the market testing)
  - Brackenwood Golf Course;
  - Warren Golf Course,
  - Wallasey Beach mini golf,
  - Arrowe Park pitch and putt, and
  - Kings Parade crazy golf.
- 1.6 The provision of Golf transferred to the Leisure Services section in February 2014 from the Technical Services Department
- 1.7 In order to secure the best possible outcome, officers have worked closely with Cheshire West and Chester Council (CW&C) This collaborative approach is in line with the agreement reached by both authorities to work more closely together. By widening the scope for operators to express interest in specific courses, it has been established that economies of scale are likely to apply when groups of courses can be managed together. That said, the next stage of work will result in specific proposals that may involve one or more operators (if this presents better value).
- 1.8 The current revenue subsidy for Golf course provision is forecasted to be £440.050 in 2014/15. Income has fallen significantly during the last two years across all areas of golf, and the level of subsidy may well increase in the future as usage declines. Significant investment is required simply to maintain roundage at current levels. There is expected to be a £50k minimum increase in golf income this financial year 2014-15 as a result of re-branding the golf package and additional interest generated by the Open Golf tournament at the Royal Liverpool July 2014.
- 1.9 For the purposes of the soft market testing exercise, Hoylake Municipal Golf Course was excluded from the process, as it is thought possible that a local solution may prove better value: and this option needs to be explored separately in the wider context of golf development in Wirral.

## **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The wider Leisure transformation is progressing and the management of Golf transferred to Leisure Services in February 2014.

In the context of Leisure Services; the Section has been set a target to reduce its costs by £2 million over the next 2 years 2014/2016. The aim remains a more cost effective and efficient Leisure Services Section; one that ensures:

- Leisure Services will be delivered through an efficient and effective service model in line with corporate priorities
- Leisure provision will operate on a considerably reduced financial envelope

- Leisure Services to be offered which meet the requirements of the Wirral community now and in the future in a sustainable and viable way.

## **2.2 RELEVANT RISKS**

The risks are that if the Council does not decide to implement transformational changes to the golf portfolio; that the major budget reductions attributed to the service over the next two years will not be delivered.

## **3.0 Testing the Market - Soft Market Testing (SMT)**

- 3.1 The soft market exercise was intended to assess the level of interest from potential golf operating partners and to solicit innovative ideas about options for the longer term enhancement of golf across the two Councils.
- 3.2 The terms of any agreement or leasehold interest would be determined if the Council's proceed, and with dialogue the Council's will seek to secure best consideration.
- 3.3 Both Council's made it very clear in the documentation released they are open to exploring innovative ways of structuring any prospective arrangement that delivers best consideration and secures arrangements that deliver mutual benefits. At present Wirral Council maintains its own courses, and carries out the green-keeping.
- 3.4 Seven (7) suppliers completed and returned the market questionnaire with varying levels of interest across both Council's, between full 18 hole golf courses and smaller, pitch and putt courses. Three suppliers have registered a high level of interest in all courses across both Councils.
- 3.5 In Wirral, there is high level of interest in all courses from a range of mid-scale operators, and also a moderate level of interest from large operators. Nearly three quarters of answers across all courses and all suppliers registered some form of interest in one or more courses in the Wirral.

## **4.0 Next stage**

Officers now request that elected members give approval for the commencement of a further stage of work to a more formal procurement exercise .This process of procurement will look to secure detailed proposals for the granting of a lease and concession agreement for up to 25 years . No final decision or commitment is required at this stage. If approval is given, more detailed engagement with staff, trades unions and other stakeholders will commence.

## **5.0 CONSULTATION**

5.1 Consultation has been undertaken with colleagues in procurement and finance.

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

6.1 There are no detrimental impacts on voluntary, community and faith groups.

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

7.1 The current cost of providing golf provision needs to be reduced significantly. In addition, discussions have been held with the Leader of the Council and the Cabinet Member with responsibility for Leisure ; and the Strategic Director – Families and Wellbeing.

## **8.0 LEGAL IMPLICATIONS**

8.1 This report is based on the structure of delegation

## **9.0 EQUALITIES IMPLICATIONS**

9.1 No implications.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are no carbon reduction implications .

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

11.1 Planning permission may be required for any development proposals, but necessary consents and approvals would be secured as part of the further work on these initiatives

## **12.0 RECOMMENDATION/S**

It is recommended that the reasons for the procurement of golf facilities are noted and ratified, and that appropriate reporting mechanisms will be put in place, including a final report to be presented to Elected Members before any award is made. By entering into this next stage of the process, the Council will not be committing themselves to awarding a concession agreement.

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

13.1 The recommendations are being made as they will enable the Council to meet its aim of ensuring Leisure Services will be delivered through an efficient and effective service model in line with corporate priorities.

Leisure Services will to be offered which meet the requirements of the Wirral community now and in the future in a sustainable and viable way

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**APPENDICES**

*None*

**REFERENCE MATERIAL**

*None*

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet September 2013 Leisure Transformation report</b>	

# Equality Impact Toolkit (new version February 2012)

**Section 1: Your details**

Council officer:

Email address:

Head of Service:

Chief Officer:

Department:

Date:

**Section 2: What Council function / proposal is being assessed?****Section 2b: Is this EIA being submitted to Cabinet or Overview & Scrutiny Committee?**

Yes / No

If 'yes' please state which meeting and what date

.....

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

.....

**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.

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

- a) Add a hyperlink to your published EIA on the Council website? (section 2b)
- b) Include any positive impacts as well as negative impacts? (section 5)
- c) Send this EIA to [equalitywatch@wirral.gov.uk](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?

*Before you finalise this report, please delete section 9*

## WIRRAL COUNCIL

### CABINET 7 JULY 2014

<b>SUBJECT:</b>	<b><i>LAND REAR OF PENSBY PARK RESOURCE CENTRE, PENSBY</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>PENSBY AND THINGWALL</i></b>
<b>REPORT OF:</b>	<b><i>HEAD OF UNIVERSAL &amp; INFRASTRUCTURE SERVICES</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR ADRIAN JONES</i></b>
<b>KEY DECISION?</b>	<b><i>NO</i></b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to declare the former school playing fields, to the rear of Pensby Park Resource Centre, Fishers Lane, Pensby a surplus asset and seek authority to its disposal. Permission from the Secretary of State to dispose of former community school land is also required. The matter is being reported to Cabinet as the potential sales receipt is anticipated to be well in excess of the threshold for delegated decisions.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Pensby Park Resource Centre is currently used as Council offices and also includes the Pensby and Thingwall Children's Centre. The property was originally built as Pensby Park Primary School which ceased to operate as a school in 2009. The current uses of the building do not include the former playing fields to the rear, which consequently are surplus to requirements.
- 2.2 It is proposed that a marketing exercise for this site be undertaken on the Council's behalf by its appointed property consultants, and the site be sold on the best terms reasonably achievable.
- 2.3 In order to provide access to the site it is proposed that the extent of land to be sold is as indicated in black edging on the attached plan and extends to just over 1 Hectare (2.5 Acres). This includes an area of land, shown shaded on the plan, which currently provides outdoor play space for the Children's centre. It is therefore proposed that funding, in the sum of £15,000, be set aside from the proceeds of sale to meet the cost of remodelling the outdoor play area and possibly relocating some play equipment to the unused land to the front of the site.
- 2.4 As the land has been used for school purposes within the last 8 years, in accordance with the guidance provided by the Department for Education, the Council will need to seek approval from the Secretary of State to the disposal of school land in accordance with Schedule 1 to the Academies Act 2010.

### **3.0 RELEVANT RISKS**

- 3.1 There is a risk that the property will not sell, in which case the Council will continue to be responsible for its maintenance.
- 3.2 There is a risk that the Secretary of State will not grant permission to dispose the former school land, in which case the Council will continue to be responsible for its maintenance.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 As the property is not required by the Council, a sales marketing exercise by the Council's appointed property consultants is considered to be the most appropriate method of disposal. Consequently no other options have been considered.

### **5.0 CONSULTATION**

- 5.1 The Head of Universal & Infrastructure Services has consulted with other relevant Council departments and the Capital Working Group. In addition, the property consultant will undertake a promotional exercise to advertise the availability of the property.

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

- 6.1 The site is not considered to be suitable for transfer or disposal to voluntary, community or faith groups, although such groups would be able to submit an offer.

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

- 7.1 Should the site sell, it will generate a receipt and will also remove any liability for the maintenance/security of the site.
- 7.2 The cost of employing the property consultant will be in line with the approved scale of fees.
- 7.3 The sum of £15,000 is to be set aside from the Capital receipt to meet the costs of alteration of the Children's centre outdoor space.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 The disposal will require the preparation of appropriate legal documentation related to the disposal.
- 8.2 A full marketing exercise by the Council's appointed property consultants is considered to be the best way of demonstrating that the best price reasonably obtainable has been achieved, which satisfies s123 of the Local Government Act 1972.
- 8.3 Consent from the Secretary of State via form SCH1F will be required before the playing fields can be sold.

### **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?  
No because there is no relevance to equality.

## 10.0 CARBON REDUCTION IMPLICATIONS

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

## 11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 Planning consent for the redevelopment of the site will be required.

11.2 The site is identified as a School Playing Field on the Council's adopted Unitary Development Plan Proposals Map.

11.3 This triggers a requirement for any future planning application to be assessed against Paragraph 74 of the National Planning Policy Framework, which states that existing open space, including playing fields, should not be built on unless an assessment has been undertaken which has clearly shown the open space or land to be surplus to requirements or the loss resulting from proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location.

11.4 Sport England will be a statutory consultee on any application which, subject to any objection, may then need to be referred to the Secretary of State.

## 12.0 RECOMMENDATION/S

12.1 That the former Pensby Park playing fields be declared surplus and authority be given to disposal using the Council's appointed property consultants.

12.2 That an application to the Secretary of State is made for the disposal of the land.

## 13.0 REASON/S FOR RECOMMENDATION/S

13.1 To make the best use of the Council's property assets by declaring the property surplus and to seek authority to a disposal.

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## APPENDIX

Location plan

## REFERENCE MATERIAL

No reference material has been used in the preparation of this report.

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date

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