



# Cabinet

<b>Date:</b>	<b>Monday, 18 July 2016</b>
<b>Time:</b>	<b>10.00 am</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 and/or any other relevant interest, 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.

### 3. LEADER'S UPDATE

#### CABINET MEMBER REPORTS

### 4. FINANCIAL MONITORING OUT-TURN REPORTS FOR 2015/16 (Pages 1 - 44)

### 5. TREASURY MANAGEMENT ANNUAL REPORT (Pages 45 - 62)

### 6. REVENUE MONITORING 2016/17 QUARTER 1 (TO JUNE 2016) (Pages 63 - 72)

### 7. CAPITAL MONITORING 2016/17 QUARTER 1 (TO JUNE 2016) (Pages 73 - 86)

8. **WIRRAL PLAN: A 2020 VISION - UNDERPINNING STRATEGIES: DIGITAL STRATEGY (Pages 87 - 114)**
9. **WIRRAL PLAN: A 2020 VISION - UNDERPINNING STRATEGIES: HOUSING STRATEGY (Pages 115 - 144)**
10. **CORE STRATEGY LOCAL PLAN - STRATEGIC HOUSING MARKET ASSESSMENT UPDATE (Pages 145 - 170)**
11. **CORE STRATEGY LOCAL PLAN - WIRRAL RETAIL & LEISURE STUDY UPDATE (Pages 171 - 186)**
12. **WIRRAL LOCAL FLOOD RISK MANAGEMENT STRATEGY (Pages 187 - 254)**
13. **TRANSPORT PLAN FOR GROWTH PROGRAMME 2016/17 (Pages 255 - 268)**
14. **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)**

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

15. **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.

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

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



**COUNCILLOR PHIL DAVIES**

**CABINET**

**18 JULY 2016**

**FINANCIAL MONITORING**

**OUT-TURN 2015/16**

**Councillor Phil Davies, Leader of the Council, said:**

‘Robust financial management throughout the year has ensured the Council has delivered an overall under-spend of £1.3 million in 2015/16. Pro-active treasury management has enabled us to invest to meet the rising demand for social care, and we have continued to improve our income collection.

‘Good performance in supporting businesses to succeed – and encouraging businesses to relocate to Wirral – has resulted in further increases in the Business Rates we collect.

‘Continuing this performance – increasing the number of businesses based in Wirral and the number of people living here – will be vital in the future, as our finances will be entirely dependent on the income we can generate locally. By 2020 the Government will have removed the Local Government Settlement entirely and the Council will retain all Business Rates it collects with no additional support.’

**REPORT SUMMARY**

This report details the Out-turn for 2015/16 and concludes the reporting to Cabinet for the 2015/16 financial year. There are separate Appendices for Revenue (including details of the reserves), Capital (including resources used to fund the Programme) and the Collection Summary (including Council Tax, Business Rates and Sundry Debts).

This is a key decision which affects all Wards within the Borough.

## RECOMMENDATIONS

### 1 Revenue

- a) The Revenue Out-turn for 2015/16 which showed an underspend of £1.3 million be noted.
- b) The transfer of the underspend to General Fund Balances be confirmed.
- c) The General Fund Balances at 31 March 2016 of £22.2 million, with £9.7 million agreed to be used in the Budget 2016/17, be noted.
- d) The Earmarked Reserves totalling £73.9 million as detailed in the Annex be confirmed.

### 2 Capital

- a) The additional re-profiling of £8.8 million from 2015/16 to 2016/17 be noted.
- b) The financing of the Programme for 2015/16 be noted.
- c) The Programme for 2016/17 and beyond be kept under review to ensure it is realistic and deliverable.

### 3 Collection Summary

- a) The Council Tax in-year collection rate of 95.2% be noted.
- b) The Business Rates collection rate of 97.2% be noted.
- c) The reduction in Sundry Debtors arrears from £30.9 million at 31 March 2015 to £22.6 million at 31 March 2016 be noted.
- d) That the sundry debts for Adults Social Services and Other Directorates detailed in the report be written-off against the Provision for Bad Debts.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 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.
- 1.2 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.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 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.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Throughout the financial year Cabinet received Monitoring Reports in respect of Revenue (including income and debt collection) and Capital. This report is a summary of the actual out-turn for 2015/16.
- 3.2 The last monitoring reports were for Quarter 3 and were considered by Cabinet on 22 February 2016. Since the end of March work has been ongoing in order to conclude the accounts for the financial year. In respect of income collection Cabinet also received a number of specific reports relating to the write-off of sundry debt.
- 3.3 The detail contained within the Appendices informs part of the Annual Statement of Accounts for 2015/16. The Statement was issued on 30 June 2016. It is subject to review by the appointed External Auditor (Grant Thornton UK LLP) and will be considered by Audit & Risk Management Committee on 26 September 2016. The Statement has to be published by 30 September 2016.

### **REVENUE OUT-TURN**

- 3.4 Appendix 1 provides the detail of which the headlines are:-

Following the reported position at Quarter 1 Council agreed on 12 October 2015 to the deferral of savings from 2015/16 to 2016/17 and the funding of the slippage, totalling £9.6 million from a combination of Reserves and General Fund balances.

The Revenue Out-turn is an underspend of £1.3 million which is an improvement on the £0.1 million overspend projected at Quarter 3.

There were underspendings within Regeneration and Environment (£2.3 million due to in the early delivery of savings, additional income and reduced staffing costs) and Transformation and Resources (£4.8 million primarily due to the impact of treasury management activities including reduced capital financing costs).

The main adverse variations were within the Families and Well Being Directorate. Adult Social Services faces increasing demand for care services which was the significant contribution towards the £2.9 million overspend. The overspend of £2.9 million in Children & Young People was the result of an increasing number of placements and the ongoing recruitment and retention of social workers which have meant the use of agency social workers at a higher cost.

With the underspends more than offsetting the overspends this has resulted in an overall underspend and contribution to General Fund balances.

General Fund balances at 31 March 2016 were £22.2 million. The Budget 2016/17 involved the commitment of £9.7 million of balances to fund the Revenue Budget Contingency established to cover identified financial risks. This commitment leaves £12.5 million uncommitted which is above the target figure for General Fund balances of £11.5 million for 2016/17.

Earmarked Reserves decreased from £87 million at 31 March 2015 to £74 million at 31 March 2016 which were analysed as follows:-

Category and Purpose	£ million
<b>INSURANCE AND TAXATION</b> Assessed liabilities including potential cost of meeting outstanding Insurance Fund claims, Business Rates appeals, etc.	20.8
<b>RE-MODELLING / TRANSFORMATION</b> Support the development and transformation of the Council which includes investment to deliver future savings and one-off workforce reduction costs.	11.6
<b>SCHOOLS RELATED</b> Balances and sums for school-related services which can only be used by schools and not available to pay for Council services.	26.4
<b>SUPPORT SERVICE ACTIVITIES AND PROJECTS</b> Includes Government Grant funded schemes when the grant is received and spend incurred in the following year and sums held that are earmarked for the completion of programmes such as Community Asset Transfer, planned maintenance and parks improvements.	15.1

## **CAPITAL OUT-TURN**

3.5 Appendix 2 provides the detail of which the headlines are:-

Capital spend includes a range of projects to enhance the Council assets as well as providing support for regeneration and growth with spend during the year of £36.1 million.

During 2015/16 this has been used to support the delivery of the Plan:-

### **People**

Investment to support younger people through the works at Fender Primary, Devonshire Park, Elleray Park and Stanley schools.

Encourage healthy lifestyles through the schemes at Guinea Gap and West Kirby Concourse which have resulted in increased use of the centres.

Provide grant assistance towards essential aids and adaptations giving disabled people better freedom.

### **Business**

Grants provided through the Regional Growth Fund and Business Investment Grants to help create jobs and encourage growth.

Modernise and upgrade the Council's IT facilities with this work continuing into future years through the implementation of the Digital Strategy.

Maximise the use of assets through the refurbishment of Council buildings leading to more effective use and the release of surplus buildings.

### **Environment**

Maintain and enhance the road network including schemes on unclassified and residential roads.

Works to the Bidston Bypass North Bridge and Dock Bridges, the latter will see significant investment over the coming years.

Installation of LED street lighting being environmentally friendly and delivers financial benefits in the medium term.

New flood defence works at West Kirby which are due to be completed in September 2016.

The capital spend was funded from borrowing of £14.2 million, government grants of £18.6 million, useable capital receipts of £2.9 million and revenue/reserves £0.4 million.

Capital Receipts received in 2015/16 were £2.7 million which was above the target for the year with further progress made on the disposal of the major sites being Acre Lane, Manor Drive and the former Rock Ferry High School.

## **COLLECTION (INCOME)**

3.6 Appendix 3 provides the detail of which the headlines are:-

The Council Tax Collection Rate was 95.3% in 2015/16. The year saw the ending of Pensioner Discounts affecting over 11,000 accounts and over 2,000 individuals no longer eligible for Council Tax Support. This increased the sums to be collected and from those with a lesser ability to pay.

The Business Rates collection rate was 97.2% in 2015/16. This was impacted by the late addition of assessments that were subject to review by the Valuation Office Agency and resulted in an additional £6 million of income from two major sites dating back to 2010.

The level of Sundry Debt arrears was £30.9 million at 31 March 2015 which included £14 million of invoices raised in the final week of the financial year. At 31 March 2016 the arrears stood at £22.6 million which included £7 million of invoices raised in the final days of March.

The Appendix also includes details of further write-offs comprising mainly Adult Social Services debtors. The external review commissioned in 2012/13 highlighted concerns over the procedures in place which have since been revised and also that there were debts held which were deemed uncollectable. The Provision for Bad Debts was subsequently increased to reflect the need to write-off the debt. Extensive attempts have been made to recover these outstanding sums and the write-offs now presented include a number of items which date back prior to 2012 and are considered to be the final series of those identified following the external review.

## **4.0 FINANCIAL IMPLICATIONS**

4.1 The financial implications are summarised as headlines in Section 3 and detailed within the Appendices.

## **5.0 LEGAL IMPLICATIONS**

5.1 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 comply with the Code Of Practice on Local Authority Accounting. There is a legal requirement to publish the Statement of Accounts each year.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

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

## **7.0 RELEVANT RISKS**

- 7.1 There are none associated with the summary of the financial position for 2015/16. The position has been monitored throughout the year and has been the subject of monthly reports to Cabinet.
- 7.2 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.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 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.

## **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.

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## **APPENDICES**

- Appendix 1 Revenue Out-turn 2015/16.  
Appendix 2 Capital Out-turn 2015/16.  
Appendix 3 Collection Summary 2015/16.

## **REFERENCE MATERIAL**

CIPFA Code Of Practice On Local Authority Accounting In The UK 2015/16.  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit (England) Regulations 2015.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Out-turn 2013/14	7 July 2014
Cabinet – Collection Summary 2013/14	7 July 2014
Cabinet – Out-turn 2014/15	13 July 2015
Cabinet – Budget 2014/17	12 February 2014
Council – Budget 2014/17	25 February 2014
Cabinet – Budget 2015/18	10 February 2015
Council – Budget 2015/18	24 February 2015
Cabinet – Budget 2016/17	22 February 2016
Council - Budget 2016/17	3 March 2016
Cabinet – Revenue Monitoring 2015/16	Quarterly reports
Cabinet – Capital Monitoring 2015/16	Quarterly reports
Cabinet – Sundry Debtor (DASS) Write-offs	6 November 2014
Cabinet – Sundry Debtor Write-offs	15 January 2015
Cabinet – Sundry Debtor Write-offs	10 February 2015

**REVENUE OUT-TURN 2015/16**

**REPORT SUMMARY**

This Appendix informs Cabinet of the Revenue Out-turn for 2015/16 including details of the level of general Fund balances and reserves at 31 March 2016.

**RECOMMENDATIONS**

- a) The Revenue Out-turn for 2015/16 which showed an underspend of £1.3 million be noted.
- b) The transfer of the underspend to General Fund Balances be confirmed.
- c) The General Fund Balances at 31 March 2016 of £22.2 million, with £9.7 million agreed to be used in the Budget 2016/17, be noted.
- d) The Earmarked Reserves totalling £73.9 million as detailed in the Annex be confirmed.

**SUPPORTING INFORMATION**

**1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 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 Appendix highlights the key elements.

**2.0 OTHER OPTIONS CONSIDERED**

- 2.1 No other options were considered. There is a legal requirement to publish the Statement of Accounts by 30 September 2016.

**3.0 BACKGROUND INFORMATION**

**MONITORING 2015/16**

- 3.1 The Budget 2015/16 was agreed by Council on 24 February 2015 with any increase in the Budget agreed by full Council. Changes to the Budget since it was set are summarised in Table 1 and comprise: variations approved by Cabinet / Council including approved virements; budget realignments reflecting changes to the Directorate structure and responsibilities; the allocation of savings to Directorates; any technical adjustments.

**Table 1: 2015/16 Original & Revised Net Budget by Directorate**

	<b>Original Net Budget</b>	<b>Budget Changes</b>	<b>Revised Net Budget</b>
	£000	£000	£000
FWB - Adult Social Services	68,305	2,761	71,066
FWB - Children & Young People	67,964	4,494	72,458
FWB - Schools, Leisure, etc	7,956	1,450	9,406
Regeneration and Environment	90,287	-826	89,461
Transformation & Resources	31,947	-907	31,040
Corporate Growth, Savings and Grant	-7,267	2,628	-4,639
<b>Net Cost of Services</b>	<b>259,192</b>	<b>9,600</b>	<b>268,792</b>

- 3.2 Throughout the financial year Cabinet received Revenue Monitoring reports for each quarter. In setting the Budget for 2015/16 it was acknowledged that the savings programme was ambitious and included within the Balances was £7.2 million being an assessment of the risk of slippage / non-delivery of savings. At the end of Quarter 1 it was recognised that £28 million of savings would be achieved with a potential shortfall of £9.6 million. Cabinet recommended to Council that the savings be re-profiled to 2016/17 and that this shortfall be met from Reserves (£5.4 million) and £4.2 million from Balances in 2015/16. This was confirmed on 12 October 2015 and the Budget revised accordingly.
- 3.3 The last monitoring report, for Quarter 3 (Cabinet 22 February 2016) projected a General Fund overspend of £0.1 million. Whilst overspending was principally due to demand pressures within Adult and Children Care Services this was mitigated by underspending within Regeneration & Environment and Transformation & Resources (Treasury Management).
- 3.4 The actual Out-turn was an underspend of £1.3 million and Table 2 compares this with the position as at Quarter 3 with the improvement essentially due to the underspends with Regeneration & Environment, in respect of staffing and increased income, and Transformation & Resources, with further savings identified from Treasury Management activities.

**Table 2: 2015/16 Projected / Actual Variations by Directorate**

	<b>Quarter 3</b>	<b>Actual</b>
	£m	£m
FWB - Adult Social Services	2.4	2.9
FWB - Children & Young People	2.7	2.9
FWB - Schools, Leisure, etc	0.4	0.2
Regeneration and Environment	(1.8)	(2.3)
Transformation & Resources	(3.5)	(4.9)
Corporate Growth, Savings and Grant	(0.1)	(0.1)
<b>Net Cost of Services</b>	<b>0.1</b>	<b>(1.3)</b>

- 3.5 The Financial Monitoring reports identified the progress made by Directorates and services throughout the year. Table 3 provides details of the variations by Directorate which are based upon the Budgets adjusted to reflect the re-allocation of savings from 2015/16 to 2016/17.

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

Directorate	Description	Over £m	Under £m
FWB - Adult Social Services	Additional Care costs due to increasing demand for services	2.9	
FWB – Children & Young People	Additional Care costs from increasing numbers of Looked After Children	2.8	
	Additional employee costs including through agency placements	1.4	
	Underspends within Childrens Centres and Early Help		0.4
	Underspend Schools Support services		0.4
	One-off from Reserves and Provisions		0.3
FWB – Schools, Leisure, etc	Leisure Centres being delayed delivery of savings	0.2	
Regeneration and Environment	Increased income from various areas		0.8
	Supporting People Programme (early delivery of savings and efficiencies)		0.8
	Employee savings from vacant posts		0.6
Transformation and Resources	Treasury Management including Capital Financing		4.0
	Reduced staffing expenditure and increased income in various areas		1.1
	Assets overspend due to slippage in delivery of savings	0.5	

Note : The Revenue Budget Contingency in the Budget 2016/17 includes sums to reflect the potential ongoing overspends within the areas of Adult Social Care and Children’s Social Care.

- 3.6 The net underspend of £1.3 million at the year-end has been transferred to General Fund Balances.

#### **LEVEL OF GENERAL FUND BALANCES**

- 3.7 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 was adopted during 2015/16 and Cabinet 10 February 2015 agreed to the level of balances being set at, or above, the locally determined figure.

- 3.8 When setting the Budget 2015/16 the projected balances were £17.4 million. The main change in the calculation of the level of balances for 2016/17 was the exclusion of an element for the risk associated with the deliverability of savings due to the introduction of a detailed risk assessment of savings. For 2015/16 there was a general assessment of savings that lead to a generic amount included in the balances calculation. As a consequence in setting the Budget 2016/17 the projected balances are to be maintained at £11.5 million.
- 3.9 The out-turn shows the final figure to be £22.2 million. The Budget 2016/17 involved the commitment of £9.7 million to fund the Revenue Budget Contingency established to cover identified financial risks. This commitment leaves £12.5 million uncommitted which is above the target figure for General Fund balances of £11.5 million for 2016/17.

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

Details	£m	£m
Balance at 31 March 2015		18.8
Less: Contribution to 2015/16 Budget		-4.2
Add : Outturn 2015/16 Underpend		+1.3
Add : Transfer from Earmarked Reserves		+6.3
Actual Balance 31 March 2016		22.2
Less: 2016/17 Commitment to Support Budget Delivery		-9.7
Available Balance 31 March 2016		12.5

## COLLECTION FUND

- 3.10 A number of significant changes implemented from April 2013 continue to impact upon the Collection Fund. These include 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 increased risk, partially mitigated with a Government 'top up' payment for authorities such as Wirral with a low business rates tax base.
- 3.11 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 deficit within Business Rates due to the requirement to set aside increased provision for potential future business rates appeals. This deficit is shared with Government. Wirral's share of the Fund equates to a surplus of £2.1 million.

**Table 5 : Collection Fund Balance As At 31 March 2016**

	£000
Council Tax	4,286
Business Rates (NNDR)	-2,184
Net Surplus	2,102

- 3.12 In accord with accounting requirements, the Wirral share of the surplus is shown in the Council accounts. As agreed by Executive Member Decision on 17 January 2016 during 2016/17 Wirral will receive £0.4 million from the Fund. Based upon the actual year-end position for 2015/16, which improved through the additional assessments received from the Valuation Office Agency at 31 March 2016, and depending upon performance in 2016/17 a further amount should be available for distribution in 2017/18.

### PROVISIONS FOR BAD DEBTS

- 3.13 Details of the performance for 2015/16 are contained in the Collection Summary 2015/16 which details the collection performance, the level of debts at the year-end and debts written-off in the year.

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

	At 31 Mar 2015	At 31 Mar 2016
	£000	£000
General Fund		
Sundry Debtors	7,943	8,519
Summons Costs	621	636
Housing Benefit	8,997	10,144
Collection Fund		
Business Rates	1,715	1,624
Council Tax	11,258	11,720

### RESERVES

- 3.14 The current level of reserves and movements during 2015/16 are shown in the Annex. Earmarked Reserves decreased from £87 million at 31 March 2015 to £74 million at 31 March 2016. The categories are as follows:-:

Category and Purpose
<b>INSURANCE AND TAXATION</b> Assessed liabilities including potential cost of meeting outstanding Insurance Fund claims, Business Rates appeals, etc.
<b>RE-MODELLING / TRANSFORMATION</b> Support the development and transformation of the Council which includes investment to deliver future savings and one-off workforce reduction costs.
<b>SCHOOLS RELATED</b> Balances and sums for school-related services which can only be used by schools and not available to pay for Council services.
<b>SUPPORT SERVICE ACTIVITIES AND PROJECTS</b> Includes Government Grant funded schemes when the grant is received and spend incurred in the following year and sums held that are earmarked for the completion of programmes such as Community Asset Transfer, planned maintenance and parks improvements.

- 3.15 As in previous years all Reserves, which are sums set-aside for specific purposes, were reviewed and those no longer required returned to General Fund balances. This released £6.3 million. The other significant movement was due to the re-allocation of savings from 2015/16 to 2016/17. This saw £5.4 million allocated from the Families & Wellbeing Budget Stabilisation Reserve and the Transformation Fund (formerly Remodelling) Reserve.
- 3.16 Under the Education Reform Act 1988 all primary, secondary, special and nursery schools manage delegated budgets. At 31 March 2016 the balances held by schools totalled £11.7 million (£10.7 million at 31 March 2015) and these can only be used for schools' purposes. A number of other reserves also relate to Schools.
- 3.17 The Insurance Fund reserve was £10.8 million at 31 March 2016. The Fund increased due to the transfer of funding from the insurance provision following the annual review of future liabilities and claims. The Fund also released £0.4 million to General Fund balances in 2015/16 (see Audit & Risk Management Committee 13 June 2016 Insurance Fund Annual Report 2015/16).

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Revenue Out-turn for 2015/16 showed an underspend of £1.3 million. The General Fund Balances at 31 March 2016 were £22.2 million (of which £9.7 million was allocated in the Budget 2016/17). The Earmarked Reserves at 31 March 2016 totalled £73.9 million.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 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 comply with the Code Of Practice on Local Authority Accounting. There is a legal requirement to publish the Statement of Accounts each year.

#### **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

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

#### **7.0 RELEVANT RISKS**

- 7.1 There are none associated with this report which provides a summary of the Council's financial affairs for 2015/16 and the balances at 31 March 2016.

#### **8.0 ENGAGEMENT/CONSULTATION**

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

## 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.

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## APPENDICES

Annex Earmarked Reserves

## REFERENCE MATERIAL

CIPFA Code Of Practice On Local Authority Accounting In The UK 2015/16.  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit Regulations 2015.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Collection Summary	7 July 2014
Cabinet - Out-turn 2013/14	7 July 2014
Cabinet - Out-turn 2014/15	13 July 2015
Cabinet – Budget 2014/17	12 February 2014
Council – Budget 2014/17	25 February 2014
Cabinet – Budget 2015/18	10 February 2015
Council – Budget 2015/18	24 February 2015
Cabinet – Budget 2016/17	22 February 2016
Council – Budget 2016/17	3 March 2016
Cabinet – Revenue Monitoring 2015/16	Quarterly reports

## EARMARKED RESERVES STATEMENT 2015/16

<b>Earmarked Reserves</b>	<b>Balance 31 Mar 15</b>	<b>Movement 2015/16</b>	<b>Balance 31 Mar 16</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Schools Balances	10,724	1,014	11,738
Transformation Fund	12,849	(1,876)	10,973
Insurance Fund	10,206	661	10,867
Business Rates Equalisation	7,880	2,424	10,304
Waste Development Fund	6,502	(484)	6,018
Housing Benefit	5,934	(730)	5,204
One Stop Shop, Libraries IT Networks	1,741	(258)	1,483
Dedicated Schools Grant	2,058	(786)	1,272
Community Asset Transfer	1,318	(482)	836
Support and Assistance to Public in Need	1,203	(433)	770
Property Development Framework	700	0	700
IT Development	937	(256)	681
Stay, Work, Learn Wise	908	(232)	676
Schools Harmonisation	661	(5)	656
Major Infrastructure Project Development	500	152	652
Flood Prevention	485	70	555
Intensive Family Intervention Project	1,018	(469)	549
Selective Licencing	167	370	537
Early Years - 2 Year Olds Funding	510	(49)	461
Human Resources	0	410	410
CHAMPS Innovation Fund	267	113	380
Future School Redundancy Costs	109	253	367
Schools Capital Schemes	634	(270)	364
Public Health 15-16 Allocations	34	314	348
Parks and Countryside	311	0	311
Home Improvements	169	140	309
Discretionary Housing Payments	0	297	297
Home Adaptations	495	(200)	295
Public Health Outcomes	1,863	(1,616)	247
Childrens Workforce Development Council	323	(101)	222
Public Health – Information and Performance	564	(380)	184
Families & Wellbeing Budget Stabilisation	3,431	(3,431)	0
Efficiency Investment Rolling Fund	1,539	(1,539)	0
Business Rates Appeals	1,000	(1,000)	0
Supporting People Programme	905	(9050)	0
Waste Efficiencies Fund	500	(500)	0
Schools Contingency	368	(3680)	0
Business Improvement Grant	328	(328)	0
Childrens Centre Nurseries	322	(322)	0
Local Pay Review	296	(296)	0

<b>Earmarked Reserves</b>	<b>Balance 31 Mar 15</b>	<b>Movement 2015/16</b>	<b>Balance 31 Mar 16</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Schools Service IT	294	(294)	0
Homeless Prevention	271	(271)	0
New Homes Bonus	265	(265)	0
Other Reserves	6,797	(1,547)	5,250
<b>Total</b>	<b>87,386</b>	<b>(13,470)</b>	<b>73,916</b>

#### **SUMMARY OF EARMARKED RESERVES**

<b>Generic Purpose of Earmarked Reserves</b>	<b>Balance 31 Mar 2015 £ million</b>	<b>Balance 31 Mar 2016 £ million</b>
To Support Service Activities and Projects	31.8	20.8
To Support the Councils Transformation Programme	15.4	11.6
Mitigation of Future Risks: Insurance and Taxation	25.1	26.4
Schools Related	15.1	15.1
<b>Total Earmarked Reserves</b>	<b>87.4</b>	<b>73.9</b>

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**CAPITAL OUT-TURN 2015/16**

**REPORT SUMMARY**

This Appendix whilst detailing the Capital Out-turn for 2015/16 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.

**RECOMMENDATIONS**

- a) The additional re-profiling of £8.8 million from 2015/16 to 2016/17 be noted.
- b) The financing of the Programme for 2015/16 be noted.
- c) The Programme for 2016/17 and beyond be kept under review to ensure it is realistic and deliverable.

**SUPPORTING INFORMATION**

**1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 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 2015/16 financial year.

**2.0 OTHER OPTIONS CONSIDERED**

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

**3.0 BACKGROUND INFORMATION**

**MONITORING 2015/16**

- 3.1 The Capital Programme 2015/16 was considered by Cabinet on 10 February 2015 and approved by Council on 24 February 2015. The Programme is partly dictated by Government grant announcements, the Council's priorities and scheme affordability. It was highlighted that the Council's Revenue Budget position limited the scope for unsupported capital expenditure.
- 3.2 Cabinet received regular updates in respect of capital monitoring throughout the financial year. The last monitoring report, for Month 9, was considered by Cabinet on 22 February 2016. Since then work has been on-going in order to conclude the accounts for the financial year.
- 3.3 During the year the Programme was regularly reviewed in order to re-profile the Programme which resulted in schemes being deferred to 2016/17 along with the supporting funding. This continues to deliver one-off Treasury Management savings through a reduced need to borrow in 2015/16.

## CAPITAL OUT-TURN

- 3.4 The capital spend for the year was £36.1 million compared to the Revised Programme of £46.9 million which was reported in February (Month 9). This is summarised in Table 1.
- 3.5 The out-turn includes the Formula Capital schemes that are delegated to the schools, the expenditure for which is only realised at the end of the financial year.

**Table 1 : Capital Programme 2015/16**

<b>Spend</b>	<b>Original Approval</b>	<b>Revised December</b>	<b>Actual Out-turn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Transformation & Resources	10,556	7,298	5,675
Families – Children	8,517	10,804	7,688
Families – Adults	8,263	2,877	1,263
Families – Sport & Rec	1,865	2,464	1,819
Reg & Env– Env & Regulation	12,633	11,544	10,498
Reg & Env – Hsg & Comm Safety	6,412	5,428	3,758
Reg & Env – Regeneration	1,808	6,502	5,447
<b>Total Programme</b>	<b>50,054</b>	<b>46,917</b>	<b>36,148</b>

- 3.6 Cabinet had approved amendments totalling £3.1 million to the originally approved programme, as reflected in the position for Month 9. Since then Directorates have identified £8.8 million of planned scheme expenditure to be deferred until 2016/17. A number of schemes are proceeding ahead of schedule and have been brought forward from 2016/17. These are indicated by negative values.

**Table 2 : Significant slippage identified since Month 9**

<b>Scheme</b>	<b>£000</b>
<b>Transformation &amp; Resources</b>	
IT. development	1,500
Building refurbishment to increase occupancy (progressing ahead of schedule)	-202
Park depot rationalisation	252
Energy efficiency Initiatives	218
Transport fleet including gritters and landrover (completed ahead of schedule)	-105
CCTV cameras and other equipment	100

<b>Scheme</b>	<b>£000</b>
<b>Families &amp; Wellbeing – Children</b>	
School Place Planning	1,617
Condition/Modernisation	1,028
Basic needs	1,096
Youth capital	149
Somerville School mobile replacement	101
Wirral Youth Zone -The Hive	-500
Family support scheme	137
<b>Families &amp; Wellbeing – Adults</b>	
Citizen and Provider Portal	617
Transformation of day services	156
<b>Families &amp; Wellbeing – Sport and Recreation</b>	
Sports Centres - West Kirby Concourse / Guinea Gap	192
<b>Environment and Regulation</b>	
Transport for Growth	216
Allotments	121
Parks vehicles replacement	117
<b>Housing and Community Safety</b>	
Clearance	119
Improvement for sale grants	180
New house building programme	1,001
<b>Regeneration</b>	
Regional Growth Fund / Business Investment Grants	675
<b>Total</b>	<b>8,785</b>

3.7 In reviewing the final spend for the year it is clear that whilst a number of schemes have progressed, there have been further schemes which have been re-profiled to 2016/17. The most significant are referred to in Section 3.6. This change in timing delivers in-year revenue savings in respect of Treasury Management costs for schemes that were reliant upon borrowing as the need to borrow is also deferred.

3.8 A summary of progress in the year within the Programme is as follows:-

#### 3.8.1 Transformation and Resources

As part of an ongoing programme £2.2 million has been spent on refurbishing a significant number of Council properties which will lead to their more efficient use. Work relating to the North Annexe is on hold depending on the outcome of the office rationalisation review;

In order to release sites for disposal work at Acre Lane and Manor drive has been ongoing. The latter includes the commitment to provide a new facility for the pony club.

The review of Parks and Open Spaces has been completed. This together with the outcome of the Residents Survey will inform the level of capital expenditure required.

The IT. development programme is focused on modernising the Council's IT capability. The move to Windows 7 and upgrading of equipment is complete although there may be some residual costs. Further work includes upgrading servers and the Council e-mail system which is currently in progress and the development and location of a data centre to provide enhanced coverage and reduce IT system and data risks.

### 3.8.2 Families and Wellbeing - Children

With work on the Onside Youth Zone project now underway the first payment has been made. Completion of the "Hive" will be according to schedule with the facility opening in February 2017.

This includes investment in Schools which is essentially funded by Government Grant with this funding the subject of annual announcements. All works are undertaken with schools and mindful of the impact upon the service 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.

Some of the major works completed or started during the year are:

Fender Primary School – completion of 2 classroom and resource extension.

Elleray Park Special School – a new four classroom extension and welfare facility were completed in October 2015.

Devonshire Park– a range of projects were undertaken to support the increase in pupil numbers.

Stanley Special – work underway to provide additional classrooms and medical facilities.

### 3.8.3 Families and Wellbeing - Adults

As part of the commitment to transform the provision of the day services £0.5 million has been invested in the provision of enhanced facilities.

Integrated I.T. – software development, equipment for self-assessments, extension of Liquid logic and support for hospital discharges now planned for 2016/17.

#### 3.8.4 Families and Wellbeing – Sport and Recreation

The new fitness suite at Guinea Gap increases in usage. Membership at West Kirby Leisure Centre has increased following the improvements to the fitness suite there. £1.4 million has been invested at the 2 centres during the year.

Work has commenced to develop integrated accommodation at West Kirby Marine Lake.

#### 3.8.5 Regeneration and Environment – Environment and Regulation

Installation of the LED street lighting commenced in mid-August and substantially completed in March 2016. The £3.2 million outlay produces a return on the investment through the delivery of revenue savings.

The DfT highway maintenance allocation of £2.8 million was supplemented from with a further £500,000 for maintenance improvement schemes on unclassified and residential roads. The programme for the year resulted in the completion of 20 resurfacing schemes and one footway scheme on the Principal road network, 19 schemes on the Non-Principal Classified road network and 150 schemes on the Unclassified Road network.

The main bridge schemes were the refurbishment of the Bidston Bypass North Bridge and the replacement of the two Dock bridges (A554 Tower Road 'A' and 'C' bridges). For the two dock bridges significant site investigation works were carried out to determine the extent of buried structures and obstructions which may affect the design and construction of the new bridges.

13 schemes were carried out as part of the Integrated Transport Block as well as two significant schemes as part of the Sustainable Transport Enhancement Programme (STEP) at the Croft Retail Corridor and West Float Access for Wirral Waters.

The main coast protection scheme is the construction of new flood defences at West Kirby to significantly reduce flood risk to 140 properties. Completion of the scheme is expected in September 2016.

#### 3.8.6 Regeneration and Environment – Housing and Community Safety

£1.7 million of grant aid has been provided for the provision of essential aids and adaptations giving disabled people better freedom of movement in and around their homes.

The new house building programme has commenced with £0.5m invested during the year.

### 3.8.7 Regeneration and Environment – Regeneration

Over £5.2 million Regional Growth Fund and Business Investment Grants have been allocated which are helping to create jobs and encourage growth.

### **CAPITAL FINANCING**

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

**Table 3 : Capital Financing 2015/16**

<b>Resources</b>	<b>Original Approval</b>	<b>Revised December</b>	<b>Actual Out-turn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Unsupported Borrowing	19,090	14,964	14,220
Grants	17,734	22,760	18,571
Capital Receipts	12,693	8,621	2,928
Revenue and Reserves	537	572	429
<b>Total Resources</b>	<b>50,054</b>	<b>46,917</b>	<b>36,148</b>

3.10 The re-profiling referred to earlier has seen the schemes and associated funding deferred until 2016/17.

### **CAPITAL RECEIPTS**

3.11 The Capital Programme is reliant on the Council generating capital receipts to provide funding and the receipts during the year totalled £2.7 million.

3.12 Table 4 shows the movements in the Reserve during 2015/16 with £8.0 million held at 31 March 2016. This will be used in funding the 2016/17 programme. The option of financing from borrowing has been curtailed as the revenue budget includes savings on loan financing. Instead the maximisation of capital receipts will be used, thereby reducing capital financing charges.

**Table 4: Capital Receipts Reserve**

	<b>£000</b>
<b>Balance as at 1 April 2015</b>	<b>8,278</b>
Add : Receipts during the year	2,697
Less : Used to part fund the Capital Programme	-2,928
<b>Balance as at 31 March 2016</b>	<b>8,047</b>

3.13 The Council is currently negotiating with the prospective developers of Acre Lane and the Manor Drive sites. A decision has yet to be taken regarding the former Rock Ferry High School site.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The capital spend for the year amounted to £36.1 million. This was funded from borrowing of £14.2 million, Government Grants of £18.6 million, capital receipts of £2.9 million and revenue/reserves £0.4 million.
- 4.2 The re-profiling of schemes from 2015/16 to 2016/17 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 within the revenue budget.

#### **5.0 LEGAL IMPLICATIONS**

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

#### **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

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

#### **7.0 RELEVANT RISKS**

- 7.1 There are none associated with this report which provides a summary of the spend and financing of the Capital Programme in 2015/16. The Programme has been monitored throughout the year and by reports to Cabinet.

#### **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 This is an end of year report. Consultation takes places as part of considering the capital programme and over the planning and implementation of the specific schemes within the Programme.

#### **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.

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## REFERENCE MATERIAL

CIPFA Code Of Practice On Local Authority Accounting In The UK 2015/16.  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit (England) Regulations 2015.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Budget 2015/18	10 February 2015
Council – Budget 2015/18	24 February 2015
Cabinet – Budget 2016/17	22 February 2016
Council – Budget 2016/17	3 March 2016
Cabinet – Capital Monitoring 2015/16	Quarterly reports

**COLLECTION SUMMARY 2015/16**

**REPORT SUMMARY**

This Appendix details the collection of Council Tax, Business Rates, Sundry Debtors, Housing Benefit Overpayments and Housing Act Advances. It also highlights key collection indicators and for irrecoverable sums, the sums that were written off under delegation and details of those debts for which Cabinet approval is sought to write off.

**RECOMMENDATIONS**

- a) The Council Tax in-year collection rate of 95.3% be noted.
- b) The Business Rates collection rate of 97.2% be noted.
- c) The reduction in Sundry Debtors arrears from £30.9 million at 31 March 2015 to £22.6 million at 31 March 2016 be noted.
- d) That the sundry debts for Adults Social Services and Other Directorates detailed in the report be written-off against the Provision for Bad Debts.

**SUPPORTING INFORMATION**

**1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 To inform Members of the collection activity undertaken in these areas.
- 1.2 Sums written off are approved either under delegation or by Cabinet.

**2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The report presents a summary of the collection performance for 2015/16. No other options were considered.

**3.0 BACKGROUND INFORMATION**

**COUNCIL TAX**

- 3.1 The year saw the ending of Pensioner Discounts affecting over 11,000 accounts and over 2,000 individuals no longer eligible for Council Tax Support. This increased the sums to be collected and from those with a lesser ability to pay. Work backlogs reduced throughout the year and various steps were taken to improve processing time. As a consequence the in-year collection rate reduced from 95.5% in 2014/15 to 95.3% in 2015/16.

### 3.2 Collection Summary 2015/16

	£	£
Arrears Brought Forward at 1 April 2015		17,908,455
Total Charge 2015/16		<u>185,778,694</u>
		203,687,149
Less Credits Brought Forward at 1 April 2015		<u>1,109,000</u>
		202,578,149
Less Allowances:		
Exemptions	2,688,624	
Disabled Persons Relief	135,627	
Discounts and Band alterations	17,693,319	
Council Tax Support	26,090,178	
Write-offs	<u>1,063,797</u>	<u>47,671,545</u>
		154,906,604
Add Refunds Made		1,834,904
Add Costs		<u>466,936</u>
		157,208,444
Less Cash Received		<u>138,965,000</u>
Arrears Carried Forward at 31 March 2016		<u>18,243,444</u>

### 3.3 Debt Recovery Actions

	2014/15	2015/16
Reminder Notices	82,862	71,715
Summonses Issued	23,121	17,426
Leading to		
Liability Orders	16,904	12,911
Attachment of Earnings Orders	2,218	1,807
Deductions from Job Seekers Allowance		
/ Income Support	7,234	5,953
Referred to Bailiffs	8,274	9,516

3.4 Members will note a drop in recovery action mainly caused by inaction against accounts caught up in the backlog of work which has been steadily reducing since October when measures put in place started to take effect. Along with the reduction in those eligible under the Local Council Tax Support Scheme this has impacted upon collection.

#### Irrecoverables

3.5 There is no specific power to write-off Council Tax debts, which are covered by the general power of administering the financial affairs of the Authority. Examples of suitable cases for write-off are: deceased persons with no estate, persons not traced, Insolvency, sums remitted by the court during proceedings for imprisonment and minimal sums. All other debts are actively pursued.

3.6 The Bad Debt provision for 2015/16 was £13,799,153 and whilst trace and recovery work is ongoing for Council Tax arrears £1,063,797 has been written off in 2015/16 categorised as follows:

Category	2014/15 £	2015/16 £
Deceased	7,702	5,122
Insolvency	251,880	258,433
Court Remission	7,426	5,248
Prison sentence served (by order of the magistrates)	1,259	205
Non-traceable	<u>735,512</u>	<u>794,789</u>
Total	<u>1,003,779</u>	<u>1,063,797</u>

### 3.7 Statistics

	31 Mar 2015	31 Mar 2016
Number of properties	146,936	147,426
Number of Council Tax Scheme Recipients	36,536	34,789
Council Tax Collection	95.5%	95.3%

### Year on Year Volume Comparisons

3.8 The cashier facility was removed from Conway One Stop Shop in April 2015. This resulted in an increased number of payments through the Post Office and Paypoint as well as by Direct Debit.

	31.03.14	31.03.15	31.03.16
Direct Debit Payers	91,545	93,428	94,813
Discount Recipients	70,225	71,957	61,546
Pensioners discounts	14,011	11,482	0
Exempt Persons	1,908	2,203	2,303
No. of Amended/Copy Accounts	126,212	128,006	128,010
No. of Returned Direct Debit Payments	12,891	12,045	11,760
Payments: Direct Debits	945,527	966,861	987,594
Cash/Cheque	70,384	73,151	51,405
Salaries/Wages	11,497	10,393	9,299
Debit/Credit Card	78,915	84,325	80,728
Paypoint	44,092	42,947	45,913
Post Office	77,203	74,488	83,110
Dept. for Work & Pensions	35,102	57,662	57,577
Bailiff	14,675	14,972	23,102

### BUSINESS RATES (NATIONAL NON DOMESTIC RATES)

3.9 The collection rate of 97.2% in 2015/16 was a decreased from 98.2% in 2014/15. This was impacted by the late addition of assessments that were subject to review by the Valuation Office Agency and resulted in an additional £6 million of income from two major sites dating back to 2010.

### 3.10 Collection Summary 2015/16

	£	£
Opening Debit		88,634,233
Plus Balance Brought Forward		6,049,438
Less Credit Brought Forward		<u>996,203</u>
		93,687,468
<b>Allowances</b>		
Assessment changes in year	-33,304	
Transitional Relief	92,167	
Empty relief	-5	
Empty relief exemptions	-4,269,633	
Part Occupation relief	-86,045	
Charitable Organisations	-5,634,654	
Rural Relief	-592	
Small Business Rate Relief (SBRR)	-6,660,979	
Multi Occupation SBRR	-28,590	
Local Disc/Flood/Retail	-1,512,112	
Enterprise Zone Discount	-12,268	
Re-Occupation Relief	-75,660	
Write-Offs	<u>-1,474,337</u>	<u>-19,696,012</u>
		73,991,456
Add Refunds made		2,349,141
Add costs		<u>44,955</u>
		76,385,552
Less Cash Received		<u>-70,823,552</u>
Balance Carried Forward		<u>5,562,000</u>

### 3.11 Debt Recovery Action

	2014/15	2015/16
Summonses	620	555
Liability Orders	536	458
Charge payers on Direct Debit	2,023	1,985

#### Irrecoverables

3.12 The Bad Debt provision for Business Rates is £3,314,195 in 2015/16 and those written-off by category in 2015/16 were:-

Category	2014/15	2015/16
	£	£
Absconded/Irrecoverable	526,660	945,360
Insolvency	878,266	641,643
Miscellaneous (including deceased)	-63,131	-112,666
Total	<u>1,341,795</u>	<u>1,474,337</u>

### 3.13 Statistics

	2014/15	2015/16
Number of Properties on Valuation List	8,228	8,294
Rateable Value	£180,338,530	£185,662,275
New and Altered Property Notifications	1,361	1,005
Collection Rate	98.2%	97.2%

- 3.14 The Council has an Enterprise Zone, Wirral Waters part of Mersey Waters, which came into force on 1 April 2012. The Zone has been the subject of reports to Cabinet and two buildings (a College and a Call Centre), were completed and occupied last year.
- 3.15 The Birkenhead Business Improvement District (BID) ballot was successful and the BID bills were sent to 650 businesses in the Birkenhead BID Zone by the Council acting on behalf of the Wirral Chamber of Commerce. The levy is 1.5% of a property's Rateable Value and raises £450,000 per annum for the next 5 years the funds raised will go to improve the area covered by the BID company, Birkenhead First.
- 3.16 Under Government proposals local authorities will retain 100% of Business Rates from 2020 and the Government has established areas to pilot this change. Wirral is part of the Liverpool City Region pilot whereby it will retain 100% of all Business Rates collected from 2017/18. Wirral currently retains 49% with 50% going to Central Government and 1% to the Fire Authority. The final details of this pilot are being negotiated with the Government.
- 3.17 The outcome of the Government review into Business Rates means that from April 2017 Businesses with a Rateable Value of 12,000 or under will not pay Business Rates and they anticipate 1/3<sup>rd</sup> of all businesses will not pay Rates, a saving per business of up to £5,900 in 2017/18. Businesses with a Rateable Value of 12,000 to 15,000 will receive tapered relief and properties with a Rateable Value of up to 51,000 will pay the lower poundage, removing 250,000 businesses from the higher rate. Nationally the changes will affect 900,000 properties nearly half of Business Rate payers. The Government are also looking at reducing the time between valuations (from 5 years to possibly 3 years) and alternative valuation methodologies including a form of self-assessment.
- 3.18 In setting the Council Budget for 2015/16 it was agreed to implement a scheme awarding a local discount to companies paying the Living Wage. The Living Wage Discount Policy resulted in only one firm signing up to the scheme which was not extended into 2016/17. An additional £6 million of Business Rates was collected following the inclusion of two major sites assessed by the Valuation Office Agency at 31 March 2016 which dated back to 2010.

## SUNDRY DEBTOR ACCOUNTS

3.19 During 2015/16 invoices totalling £91 million were raised and income of £98 million collected. The arrears figure as at 31 March reduced by £8 million to £22.6 million. As with previous years the end of year position is affected by invoices sent in the final days of March. For 2015/16 this involved invoices totalling £7 million (in 2014/15 the total was £14 million).

### 3.20 Collection Statement

	2014/15 £	2015/16 £
Balance Brought Forward at 1 April	23,493,755	30,890,704
Net Amount of Invoices	<u>105,535,382</u>	<u>91,304,924</u>
	129,029,137	122,195,628
Less Write-Offs	<u>861,457</u>	<u>1,777,833</u>
	128,167,680	120,417,795
Payments Received	<u>97,276,976</u>	<u>97,793,058</u>
Balance Carried Forward at 31 March	<u>30,890,704</u>	<u>22,624,737</u>

3.21 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
2012/13	47,912	£103.1m	£30.0m
2013/14	51,139	£99.6m	£23.5m
2014/15	48,879	£105.5m	£30.9m
2015/16	66,061	£91.3m	£22.6m

3.22 The table below shows the Directorates and amount of debt at each stage:

Directorate Description	Less than 10 days	1st reminder	2nd reminder	3rd reminder	Total at 31.03.2016
	£	£	£	£	£
Chief Executive	82,797	244,670	17,422	982,485	1,327,374
Neighbourhood	38,362	4,219	467	43,932	86,980
Trans & Resources	3,502,737	2,567,132	958,455	1,009,288	8,037,612
Families & Wellbeing	3,111,274	598,975	729,828	9,031,665	13,471,742
Reg & Environment	435,674	115,998	132,671	460,605	1,144,948
Policy & Perform'ce	17,300	500	0	22,000	39,800
<b>Totals</b>	<b>7,188,144</b>	<b>3,531,494</b>	<b>1,838,843</b>	<b>11,549,975</b>	<b>24,108,456</b>

3.23 The above figures are for invoices up to the end of March 2016. Payments as well as amendments such as write-offs and cancellations continue to be made after this date on these accounts. There is a further deduction of £483,763 to be made for unallocated payments at year-end and further write-offs totalling £999,956 leaving a balance of **£22,624,737**.

- 3.24 During 2012/13 an external review was commissioned of the Council debt. This highlighted concerns over the procedures in place which have since been revised and also that there were debts held which were deemed uncollectable. The Provision for Bad Debts was subsequently increased to reflect the need to write-off the debt. Extensive attempts have been made to recover these outstanding sums and the write-offs now presented include a number of items which date back prior to 2012 and are considered to be the final series of those identified following the external review.
- 3.25 Debts which have been registered as a charge against a property and should be recovered when that property is subsequently sold are classed as Land Charges. There is currently £1.7 million covered by Land Charges.

### Irrecoverables

- 3.26 Sums over the limit of delegation £1,000 and below £5,000 require Cabinet approval. For each case over £5,000 the approval is in respect of individual cases for which explanations are provided to Cabinet. The Bad Debt provision for 2015/16 is £8,518,973.
- 3.27 Sums totalling £1,777,833 are proposed for write off comprising £1,513,291 of Adult Social Services debtors and £264,542 of other Departmental debts. The cases above £5,000 are detailed in the Annex.

Debt – Value	Adult Social Services		Other Directorates	
	Number	£	Number	£
<£1,000	246	72,291	234	73,194
£1,000-£5,000	122	231,072	13	29,208
£5,000	52	1,209,928	12	162,140
Total	420	1,513,291	259	264,542

Reason for write off	Adult Social Services		Other Directorates	
	Number	£	Number	£
Irrecoverable	102	328,389	140	78,268
Statute Barred*	175	1,004,393	88	147,805
Deceased	60	179,283	1	71
Liquidation	1	388	8	38,251
Small Amount	82	838	22	147
Total	420	1,513,291	259	264,542

\* Since the implementation of the Care Act 2014, the time for recovering social care debt, accrued since April 2015, has been extended to 6 years from the date the debt became due. In relation to debt accrued prior to April 2015, the time period for recovery continues to be 3 years. Cases 23 to 52 in the Annex were scrutinised by the Debt Panel comprising senior staff from Adult Social Services and the Personal Finance Unit on 11 May 2016. Whilst classed as Statute Barred they primarily relate to invoices where the client died several years ago so could equally be classified under Deceased.

## HOUSING BENEFIT OVERPAYMENT DEBTS

3.28 The following Housing Benefit overpayment debts were written off in 2015/16.

Reason	No	£
Elderly	7	8,662
Bankrupt	146	98,889
Deceased	72	44,208
Statute Barred	82	37,233
Small Balance	174	22,392
Uneconomic to pursue	86	13,142
Total	567	224,526

## HOUSING ACT ADVANCES

3.29 No new advances were made in 2015/16. 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. The management of the remaining accounts have been brought in-house as the costs of remaining with the current supplier were prohibitive and in excess of the loans outstanding. In view of the numbers involved and no more advances are to be made it is intended that this will be the last report on this matter.

### 3.30 Collection statement

	2014/15	2015/16
	£	£
Arrears Brought Forward	2,504	1,666
Charges	<u>9,309</u>	<u>6,380</u>
Total	11,813	8,046
Cash Collected	<u>10,147</u>	<u>7,384</u>
Arrears Carried Forward	<u>1,666</u>	<u>662</u>

### 3.31 Housing Act Advances Five Year Collection Details

Financial Year	Amount Collectable	Arrears	Number of Accounts
	£	£	
2011/12	25,229	1,884	19
2012/13	31,329	2,892	15
2013/14	19,917	2,504	12
2014/15	11,813	1,666	7
2015/16	8,046	662	6
Total of loans outstanding at 31 March 2015			£19,151
Total of loans outstanding at 31 March 2016			£17,896

## **IRRECOVERABLE DEBTS**

3.32 Under delegated powers and previous Cabinet approval written off as irrecoverable against the provision for bad debts are the following:-

	£
Council Tax	1,063,797
Business Rates	1,474,337
Sundry Debtors	1,777,833
Housing Benefits Overpayments	<u>224,526</u>
Total	<u>4,540,493</u>

## **4.0 FINANCIAL IMPLICATIONS**

4.1 Debts written off as irrecoverable are charged against the Council provisions for bad debts which are reviewed annually in accordance with the requirements of accounting practice. At 31 March 2016 the provision for Council Tax stood at £13.8 million, Business Rates £3.3 million and Sundry Debts £8.5 million.

## **5.0 LEGAL IMPLICATIONS**

5.1 Those debts recommended for write-off have been agreed by the Head of Legal and Member Services.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

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

## **7.0 RELEVANT RISKS**

7.1 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.

## **8.0 ENGAGEMENT/CONSULTATION**

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

## **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.

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## **ANNEX**

Sundry Debtor Accounts – Write-Offs over £5,000

### **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet - Collection Summary 2012/13	13 June 2013
Cabinet - Collection Summary 2013/14	7 July 2014
Cabinet - Outturn Collection Summary 2014/15	13 July 2015

## SUNDRY DEBTOR ACCOUNTS

## WRITE-OFFS OVER £5,000 FROM 1 APRIL 2015 -31 MARCH 2016

## DEBTORS – ADULT SOCIAL SERVICES

Case	Details
1	<p>Invoice number, dated 13/05/13 amounting to £40,130.47, in respect of accommodation charges for 22/02/08 to 19/04/13. A debt of £123,181.24 was accrued against the property and the estate administrators paid the net worth of the estate (£83,050.77) leaving a balance of £40,130.47. The client is deceased and no further funds remain.</p> <p><b>Write off reason – Deceased</b></p>
2	<p>Invoice dated 23/02/15, amounting to £34,163.37 in respect of Support at Home charges to 24/9/14. With no financial forms completed the client was charged the full cost of the care, although it is very likely that she would not have been full-cost had she been assessed. The client has died and there are insufficient funds in the Estate to settle the debt.</p> <p><b>Write off reason – Irrecoverable</b></p>
3	<p>Invoice dated 28/08/13, amounting to £31,025.76 in respect of accommodation charges for 18/11/09 to 03/08/13. The Client died before legal action could be considered and there is no will and no-one to pursue for debt.</p> <p><b>Write off reason – Deceased</b></p>
4	<p>Invoice dated 31/07/08, amounting to £29,861.42 in respect of accommodation charges for 05/03/08 to 29/06/08. The client is deceased and the debt deemed irrecoverable and statute barred.</p> <p><b>Write off reason – Irrecoverable</b></p>
5	<p>Invoice dated 26/02/15, amounting to £27,305.92 in respect of accommodation charges for 13/12/06 to 25/01/15. The Financial Protection team have informed there are no funds available, no ownership of property and the client doesn't have capacity to manage their financial affairs.</p> <p><b>Write off reason – Irrecoverable</b></p>
6	<p>Invoice dated 08/12/14, amounting to £16,823.60 in respect of charges for support at home for 25/09/12 to 26/03/14. Due to a delay in authorising the package of care the Client had not been notified of financial charge. Legal Services advised that it is unlikely we will be able to obtain funds.</p> <p><b>Write off reason – Irrecoverable</b></p>
7	<p>Invoice dated 28/5/10, amounting to £15,590.36 in respect of accommodation charges for 06/06/08 to 17/12/09. The client died in 2010 and the debt, recorded as secured against property, was never secured. The property was sold in 2010 and there was no will.</p> <p><b>Write off reason – Irrecoverable</b></p>
8	<p>Invoice dated 19/03/14, amounting to £14,322.61 in respect of residential charges to 22.12.13. The debtor has died and there are no or insufficient funds in the estate to settle the debt.</p> <p><b>Write off reason – Deceased</b></p>

9	Invoice dated 19/03/14, amounting to £14,219.01 in respect of residential charges to 23/07/13 and Support at Home charges to 17/08/10. The debtor has died and there are no or insufficient funds in the estate to settle the debt. <b>Write off reason – Deceased</b>
10	Invoice dated 28/11/14, amount £9,738.75 for accommodation charges for 01/04/07 to 06/09/14. The debtor has died and there are insufficient funds in the estate to settle the debt. The client had less than £3,000 at the time of his death and that those funds were used to pay for funeral costs. <b>Write off reason – Deceased</b>
11	Invoice dated 26/01/00, amount £6,965.08, relates to accommodation charges to 31/01/00. This invoice is statute barred, the client having died and the debt was not secured against the property. <b>Write off Reason – Statute Barred</b>
12	Invoice dated 20/03/14, amounts to £6,211.39, relates to accommodation charges to 05/08/13. The debtor has died and there are insufficient funds in the estate to settle the debt. The Department for Work and Pensions funded the funeral costs. <b>Write off reason – Deceased</b>
13	Invoice dated 12/03/15, amounts to £6,115.97 and relates to accommodation charges for 16/11/07 to 06/04/14. The debtor has died and there are insufficient funds in the estate to settle the debt. <b>Write off reason – Deceased</b>
14	Invoice dated 26/01/00, amount £6,017.94 and relates to accommodation charges to 31/02/00. This invoice is statute barred, the client having died and the debt was not secured against the property. <b>Write off Reason – Statute Barred</b>
15	Invoice dated 19/03/14, amounts to £5,740.09 and relates to accommodation charges up to 02/05/13. The debtor has died and evidence has been provided to confirm that there are insufficient funds in the estate to settle the debt. <b>Write off reason – Deceased</b>
16	Invoice dated 08/07/08, amounts to £5,716.64 and relates to accommodation charges for 01/04/06 to 22/06/08. The debtor has died and there are insufficient funds in the estate to settle the debt. <b>Write off reason – Irrecoverable</b>
17	Invoice dated 04/06/08, amounts to £5,514.98 and relates to accommodation charges for 10/03/06 to 22/12/07. The debtor has died and there are insufficient funds in the estate to settle the debt. <b>Write off reason – Irrecoverable</b>
18	Invoice dated 10/03/14, amounts to £5,112.92 and relates to Support at Home charges to 25/12/13. The debtor has died and there are insufficient funds in the estate to settle the debt. <b>Write off reason – Irrecoverable</b>
19	Invoice dated 05/12/08, amounts to £8,268.51 and relates to an overpayment of RNCC for two clients. Legal Services have advised that all attempts to recover this debt have been unsuccessful and, as the debt is now statute barred, no further action can be taken. <b>Write off reason- Statute barred</b>
20	Invoice dated 13/01/05 amounting to £350,000 in respect of the provisional claim to recover overpayments to a service provider in 2005. This was based upon a number of complex arrangements involving care support and the

	<p>apportionment of costs. Attempts to recover the debt over a number of years proved unsuccessful and appeared unrecoverable. This was confirmed in 2010 following receipt of a barrister's opinion. The debt was therefore identified for write off in 2013 as being irrecoverable and statute barred but was not actioned until 2015/16.</p> <p><b>Write off reason - 'Statute Barred'</b></p>
21	<p>Invoice dated 25/11/05 amounting to £23,556.75 in respect of an overpayment for 29/9/03 to 30/06/05. The debt is statute barred and unlikely to be recovered in the opinion of external legal advisors.</p> <p><b>Write off reason - 'Statute Barred'</b></p>
22	<p>Invoice dated 02/02/06, amounting to £10,694.25 in respect of an overpayment for 13/09/04 to 30/06/05. The debt is statute barred and unlikely to be recovered in the opinion of external legal advisors.</p> <p><b>Write off reason - 'Statute Barred'</b></p>
23	<p>Client died 2010. No contact since 2013. Property transferred to relative by solicitors so owner of property is no longer owner of debt. The debt is statute barred. £92,739.59.</p> <p><b>Write off reason - 'Statute Barred'</b></p>
24	<p>Client died in 2000. Property was not in client's name and now registered to a relative but debt does not 'belong to current legal owner. The age of the debt is such that it is Statute Barred. £48,032.76.</p> <p><b>Write off reason - 'Statute Barred'</b></p>
25	<p>Client died in 2012. As probate was never been applied for there is no named executor. No charge was ever placed on the property which has since been sold. No prospect of recovery. £44,758.99.</p> <p><b>Write off reason – Irrecoverable</b></p>
26	<p>Client died 2012. Son applied for Continuing Healthcare, but as no probate application he has not been named as executor and it is unlikely that there is any capital remaining. £44,625.83.</p> <p><b>Write off reason – Irrecoverable</b></p>
27	<p>Client died 2009. No probate granted or contact with the family since the client died. The debt is Statute Barred and not recoverable. £36,284.92.</p> <p><b>Write off reason – 'Statute Barred'</b></p>
28	<p>Client died 2009. No probate granted or contact with the family since the client died. The debt is Statute Barred and not recoverable. £24,873.33.</p> <p><b>Write off reason – 'Statute Barred'</b></p>
29	<p>Client died in 2011. A Continuing Healthcare dispute has been ongoing since 2012 and no evidence of any available capital. Property 70% owned by solicitors and there is no charge on it. £24,524.53.</p> <p><b>Write off reason – Irrecoverable</b></p>
30	<p>Client died in 2008. A Continuing Health Care case from 2007. Probate granted 15/07/09 and property subsequently sold. The debt is Statute Barred and not recoverable. £22,717.30.</p> <p><b>Write off reason – 'Statute Barred'</b></p>
31	<p>Client died in 2012. Property sold around 2007 and proceeds divided amongst family. No successful recovery since 2012 and the debt is Statute Barred and is not recoverable. £19,505.55.</p> <p><b>Write off reason – 'Statute Barred'</b></p>
32	<p>Client died 2010. Probate granted and executors named. All previous contact had been through solicitors who relinquished responsibility upon the death of</p>

	the client. The debt is Statute Barred and not recoverable. £15,350.82. <b>Write off reason – ‘Statute Barred’</b>
33	Client died 2010. Probate granted in 2011 but no contact since 2012 with the property sold in 2014. The debt is Statute Barred and not recoverable. £13,767.19. <b>Write off reason – ‘Statute Barred’</b>
34	Client died 2004. Restriction placed on property but family member continues to live there. Sale looks very unlikely any time in the near future. No contact with family and the debt is Statute Barred and not recoverable. £13,149.71. <b>Write off reason – ‘Statute Barred’</b>
35	Client died 2011. No probate and no estate. Solicitor confirmed no funds in estate in July 2011 but never sent in evidence. The debt is Statute Barred and not recoverable. £10,985.86. <b>Write off reason – ‘Statute Barred’</b>
36	Client died 2010. Despite being the subject of an official complaint, there was no contact with family after April 2011. No recovery action taken and the debt is Statute Barred and is not recoverable. £9,742.68. <b>Write off reason – ‘Statute Barred’</b>
37	Client died in 2011. No probate applied for and no estate. No contact since 2013. The debt is Statute Barred and not recoverable. £9,509.95. <b>Write off reason – ‘Statute Barred’</b>
38	Client entered residential care on 11/04/10. Property sold on 25/02/11 and client became liable for full cost of care. Debt accrued until 24/02/11 and the client paid £7,400.87 leaving £9,154.03. The age of the debt is now such that it is Statute Barred £9,154.03. <b>Write off reason – ‘Statute Barred’</b>
39	Client died 13/07/12. Invoice raised for £9,004.82 and client's son disputed the invoice on the grounds that his mother had paid the care home 'top up' fee herself and therefore the invoice was incorrect. Evidence never provided. No Grant of Probate issued so nobody to pursue for debt which is by virtue of its age, now Statute Barred £9,004.82. <b>Write off reason – ‘Statute Barred’</b>
40	Client died 24.3.2011. Solicitor confirmed that there were insufficient funds in the estate to pay off the debt. No further contact from solicitor and the age of the debt is now such that it is Statute Barred £8,466.50. <b>Write off reason – ‘Statute Barred’</b>
41	Client was funded under Continuing Health Care from 20/01/10. Debt was for 27/07/09 to 20/01/10 and issued to the client's agent. Client died 02/02/11 and invoice re-issued to the next of kin on 17/04/12. No further contact and the age of the debt is such that it is Statute Barred £8,181.10. <b>Write off reason – ‘Statute Barred’</b>
42	Client died 24/10/10. Debt was for residential care for 25/01/10 to 23/10/10. The invoice was for £15,104.16 and a payment of £6,940.60 was made on 20/10/10. The balance of £8,163.56 is now of an age that it is Statute Barred. <b>Write off reason – ‘Statute Barred’</b>
43	Client died 02/09/11. Invoice issued to the Executors. Client's son then stated that he had used his mother's benefits to pay her mortgage rather than her residential care charges. As he lived with his mother prior to her going into residential care and was his mother's carer the property was not included in the assessment of the client's contributions. An allowance should have been

	made for the mortgage which was have reduced the liability. The age of the debt is now such that it is Statute Barred £7,690.08. <b>Write off reason – ‘Statute Barred’</b>
44	Charges were in respect of Support at Home from 12/04/10 to 25/04/12. Client has addiction issues and despite continued attempts to seek payment the debt remains unpaid. Write off recommended as no prospect of recovery. £7,497.34. <b>Write off reason – Irrecoverable</b>
45	This debt represents charges for Support at Home which pre-dates August 2010. Records show that the client did not, at that time, manage his finances well and he disputed the invoice on 11/08/10. This was not resolved and the age of the debt is such that it is now Statute Barred. £7,039.28. <b>Write off reason – ‘Statute Barred’</b>
46	The client ceased to reside in residential accommodation on 30/09/10. The invoice was disputed by the client via a complaint the grounds that she was not informed that she would be charged. Records do not show whether this was resolved and the debt is now, due to its age, Statute Barred. £6,927.03. <b>Write off reason – ‘Statute Barred’</b>
47	The invoice was raised on 08/05/08 being charges for 'board and lodging' to 12/11/07. The debt is Statute Barred. £6,926.59. <b>Write off reason – ‘Statute Barred’</b>
48	Client died on 07/07/11. Son was sole beneficiary following the sale of the client's property. Despite the fact the client's son was pursued for payment from October 2011 to October 2014 it was not forthcoming. The debt is now Statute Barred. £6,047.64. <b>Write off reason – ‘Statute Barred’</b>
49	Client died 23/03/11. Client's daughter disputed the invoice via a complaint which became protracted and in the meantime the estate was distributed leaving no money in the estate to pay the debt and therefore no prospect of recovery. £5,549.45. <b>Write off reason – Irrecoverable</b>
50	Client died 29/03/08. The debt was thought to be secured on the property but was sold in 2012 without the Council receiving payment due to complications around ownership of the property. The debt is statute barred. £5,640.40. <b>Write off reason – ‘Statute Barred’</b>
51	Relates to charges for Support at Home from 25/02/08 to 03/05/09 and the client is no longer a service user. The debt was not acknowledged or pursued and the age of the debt is such that it is Statute Barred. £5,154.69. <b>Write off reason – ‘Statute Barred’</b>
52	Client died 17/11/07. Invoice for accommodation charges from 01/06/08 to 16/11/07. The client's representative advised that there was no money in the estate. The Council advised that recovery of the debt would be held and the amount considered for write off. This write-off is now being actioned as the age of the debt is such that it is now Statute Barred. £5,000.44. <b>Write off reason – ‘Statute Barred’</b>

## DEBTORS – OTHER DIRECTORATES

Case	Details
1	Invoice dated 06/08/15, amount £19,882.89 for summer 2015 activities for 2 to 4 year olds. Organisation has gone into liquidation and Legal Services are unable to proceed further with recovery action. <b>Write off reason – Liquidation</b>
2	Invoice dated 28/06/11, amount £15,655.70, relates to the repayment of a voluntary grant issued by 'Aiming High' in 2010/11. The Company was dissolved on 31/01/12 and Legal Services are unable to proceed further with recovery action. <b>Write off reason – Irrecoverable</b>
3	Invoice dated 03/07/15, amount £12,258.01 Beauty & the Beast on Ice. The Company have gone into liquidation and Legal Services are unable to proceed further with recovery action. <b>Write off reason – Liquidation</b>
4	Invoice dated 21/12/11, amount £5,318.47 was raised for monies owed to the Floral Pavilion for catering commission. Legal Services were instructed by Regeneration not to pursue any further litigation for this debt. <b>Write off reason – Settlement</b>
5	Invoice dated 11/09/07, amounting to £10,803, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for March 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred. <b>Write off reason – Statute Barred</b>
6	Invoice dated 11/09/07, amounting to £14,103, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for April 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred. <b>Write off reason – Statute Barred</b>
7	Invoice dated 11/09/07, amounting to £12,480, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for May 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred. <b>Write off reason – Statute Barred</b>
8	Invoice dated 14/01/08, amounting to £17,688, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for June 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred. <b>Write off reason – Statute Barred</b>
9	Invoice dated 14/01/08, amounting to £13,824, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for July 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred. <b>Write off reason – Statute Barred</b>
10	Invoice dated 14/01/08, amounting to £13,536, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for August 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred. <b>Write off reason – Statute Barred</b>

11	<p>Invoice dated 14/01/08, amounting to £17,736, raised in respect of the Road and Street Works Act 1991 being Defect Inspection Charges for September 2007. Legal Services were awaiting further instructions from the Department of Environment and Regulation and the debt is now statute barred.</p> <p><b>Write off reason – Statute Barred</b></p>
12	<p>Invoice dated 20/10/09, amounting to £8,854.68, raised for a Service Level Agreement in respect of the Wirral Anti-Social Behaviour Team for the period April to September 2009. Legal Services have advised that attempts to recover the debt have been unsuccessful and the debt is now statute barred.</p> <p><b>Write off reason – Statute Barred</b></p>

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**COUNCILLOR PHIL DAVIES**

**CABINET**

**18 JULY 2016**

**TREASURY MANAGEMENT**

**ANNUAL REPORT 2015/16**

**Councillor Phil Davies (Leader of the Council) said:**

'The effective management of resources is vital to the success of the Council. Our proactive Treasury Management generated £4 million of savings during 2015/16. This is real cash which helps to finance services. This comes from sensible decisions regarding borrowing and the returns made on our cash flows from diversified investments in a range of safe institutions including banks, money market funds and local authorities.'

**REPORT SUMMARY**

The Authority's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires the production of annual Prudential Indicators and a Treasury Management Strategy Statement on likely financing and investment activity. The Code also recommends that Members are informed of treasury management activities at least twice a year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Department for Communities and Local Government (CLG) Investment Guidance.

Proactive Treasury Management activity resulted in savings of £4 million being made in 2015/16.

This is a key decision which affects all Wards within the Borough.

### **RECOMMENDATIONS**

1. That the Treasury Management Annual Report for 2015/16 be agreed.
2. That the transfer of the saving of £4.0 million from capital financing activities in 2015/16 to the General Fund balance be noted.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Wirral has adopted the CIPFA Code of Practice on Treasury Management (“the Code”), which includes regular update reports to Members of treasury activity. This report is the year-end review for 2015/16
- 1.2 Under the Council’s financial regulations any surplus resources are returned to balances and so used to support the delivery of other Council services.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered.

### 3.0 BACKGROUND INFORMATION

- 3.1 Treasury management is defined by CIPFA 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.”
- 3.2 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 a mid-year report on treasury management activities and at the end of each financial year this Annual Report.

### ECONOMIC BACKGROUND

- 3.3 **Growth & Inflation:** The UK economy slowed in 2015 with GDP growth falling to 2.3% from 3.0% the year before. Consumer Price Index (CPI) inflation hovered around 0.0% through 2015 with deflationary spells in April, September and October. CPI picked up to 0.3% year/year in February, but this was still well below the Bank of England’s 2% inflation target.
- 3.4 **Employment:** The labour market continued to improve through 2015 and in Q1 2016, the latest figures (Jan 2016) showing the employment rate at 74.1% (the highest rate since comparable records began in 1971) and the unemployment rate at a 12 year low of 5.1%. Wage growth has however remained modest at around 2.2% excluding bonuses.
- 3.5 **Monetary Policy:** The Bank of England’s MPC (Monetary Policy Committee) made no change to policy, maintaining the Bank Rate at 0.5% (in March it

entered its eighth year at 0.5%) and asset purchases (Quantitative Easing) at £375bn. In its *Inflation Reports* and monthly monetary policy meeting minutes, the Bank was at pains to stress and reiterate that when interest rates do begin to rise they were expected to do so more gradually and to a lower level than in recent cycles.

- 3.6 **Global Influences:** Economic improvement in the US allowed the Federal Reserve to raise rates in December 2015 for the first time in nine years to take the new Federal funds range to 0.25%-0.50%. However central bankers in the Eurozone, Switzerland, Sweden and Japan were forced to take policy rates into negative territory. The European Central Bank also announced a range of measures to inject sustained economic recovery and boost domestic inflation which included an increase in asset purchases (Quantitative Easing). The slowdown in the Chinese economy became a threat to the prospects for global growth as a whole.
- 3.7 **Market Reaction:** From June 2015 UK Government gilt yields were driven lower by the a weakening in Chinese growth, the knock-on effects of the fall in its stock market and the continuing fall in the price of oil and commodities. The heightened uncertainty surrounding domestic and US political issues which culminated in a significant volatility and in equities and corporate bond yields. 10-year gilt yields moved from 1.58% in March 2015 to a high of 2.19% in June before falling back and ending the financial year at 1.42%. The pattern for 20-year gilts was similar, the yield rose from 2.15% in March 2015 to a high of 2.71% in June before falling back to 2.14% in March 2016.

## BORROWING AND DEBT MANAGEMENT

- 3.8 The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31 March 2016 was £335.4 million.

	Balance on 01/04/2015 £000	Maturing Debt £000	New Borrowing £000	Balance on 31/03/16 £000
<b>CAPITAL FINANCING REQUIREMENT</b>	<b>337,800</b>			<b>335,400</b>
Short Term Borrowing	10,043	0	9,908	19,951
Long Term Borrowing	193,880	(8,016)	2,321	188,185
<b>TOTAL BORROWING</b>	<b>203,923</b>	<b>(8,016)</b>	<b>11,785</b>	<b>208,136</b>
Other Long Term Liabilities	52,804	(2,401)	0	50,403
<b>TOTAL EXTERNAL DEBT</b>	<b>256,727</b>	<b>(10,471)</b>	<b>11,785</b>	<b>258,539</b>

- 3.9 The £76.9 million difference between the Capital Financing Requirement and the level of External Debt is the extent to which the Authority is 'internally borrowed', where the Authority temporarily utilises its own resources rather than take on external borrowing, to generate large in year savings.
- 3.10 Affordability and the "cost of carry" remained important influences on the borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain at least over the forthcoming two years, lower than long-term rates, it was more cost effective in the short-term to use internal resources instead.
- 3.11 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 treasury management advisers, assist the Authority with this 'cost of carry' and breakeven analysis.
- 3.12 The chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the long-term plans change being a secondary objective.
- 3.13 Given the reductions in local government funding, the borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 3.14 As a consequence of the decision to borrow internally, the Authority's level of external borrowing has reduced significantly over recent years. The increase during 2015/16, as outlined in paragraph 3.8, is the result of the Authority undertaking temporary cash flow loans of £9.0 million over the year end period. If this was removed, longer term external borrowing at 31 March 2016 stood at £199.1 million.
- 3.15 With external borrowing reducing, the annual cost of financing this debt has also fallen year on year, generating savings, as illustrated below. This is despite additional annual Capital schemes being funded each year. These cost reductions, coupled with the deferral of further borrowing costs through internal borrowing have helped provide substantial savings. The 2016/17 budget has been reduced by over £2 million to reflect permanent Treasury Management savings.

Year	Longer Term Borrowing £m	Annual Interest Cost £m
2011/12	264.4	10.9
2012/13	247.1	10.5
2013/14	216.9	9.8
2014/15	203.9	9.4
2015/16	199.1	9.2

3.16 At 31 March 2016 the total external debt (as above) included £45 million for the Merseyside Residuary Body (MRB) debt which is administered by the Authority (£50 million at 31 March 2015). The financing cost of the MRB debt is shared with Merseyside other authorities

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

Loans maturing in 2014/15	Principal £m	Fixed/ Variable	Rate %	Loan start date	Terms
*PWLB	2.50	Fixed	9.00	28-Feb-89	Maturity
*PWLB	3.00	Fixed	4.88	01-Dec-98	Maturity
PWLB	0.50	Fixed	3.04	10-Feb-10	E I P
PWLB	0.50	Fixed	2.94	03-Mar-10	E I P
PWLB	0.50	Fixed	1.89	14-Oct-10	E I P
PWLB	0.50	Fixed	2.30	09-Nov-11	E I P
<b>Total Maturing Borrowing</b>	<b>7.50</b>				
<i>* Loan repaid was in respect of Merseyside Residual Debt Fund</i>					

3.18 The average rate of interest paid on long term borrowings as at 31 March 2015 was 5.90% (5.89% for 2014/15) and the average life is 21 years, the same as for 2014/15. It should be noted that the average rate calculation excludes the benefit received from the policy of using internal borrowing to delay borrowing for capital financing purposes. This £76.9 million incurs a nil borrowing cost at the expense of foregone investment income (currently approximately 0.6%) and if included would reduce the average rate.

3.19 Temporary, short dated loans, predominantly from other local authorities remain affordable and attractive for periods of low cash flow, with rates available between 0.3% to 0.5%. This option has been used during the year to cover short periods of cash flow need enabling our policy of internal borrowing to continue and to avoid taking out more expensive longer term loans.

- 3.20 During the year interest free loans totalling £2.8 million were entered into to finance highways lighting schemes.

### **Other Long-Term Liabilities**

- 3.21 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 now shown on the Balance Sheet as a Financial Liability and therefore need to be considered within any Treasury Management decision making process.
- 3.22 As at 31 March 2016 the PFI liability was valued at £50.4 million to be repaid by 2031 and there was one finance lease with a total liability of £9,000 repayable within 1 year.

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

- 3.23 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance (DCLG) on Minimum Revenue Provision most recently issued in 2012.
- 3.24 The broad aim of the DCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant. DCLG prescribe various options to calculate this repayment provision.
- 3.25 One of the options given regarding the calculation of MRP to be charged in a year is 'Option 3' which bases the charge on the asset life of the asset funded from unsupported borrowing. The method used to calculate the Council's MRP charge, under DCLG Option 3, is currently under review, which may result in a lower payment profile of the debt. The total amount repayable remains the same but it is spread over a longer repayment term.
- 3.26 In 2015/16 the decision to continue to use internal resources in lieu of borrowing for capital purposes, thereby reducing borrowing costs as outlined above and management of assets attracting MRP charges has generated savings of £4 million whilst complying with the Regulations. In future years, as cash flows diminish through use of reserve and/or interest rates rise, external

borrowing will have to increase. The Treasury Management team will continue to proactively manage the Authority's cash flow to delay external borrowing for as long as is possible and prudent to generate savings.

## INVESTMENT ACTIVITY

- 3.27 Both the CIPFA and the CLG's 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.

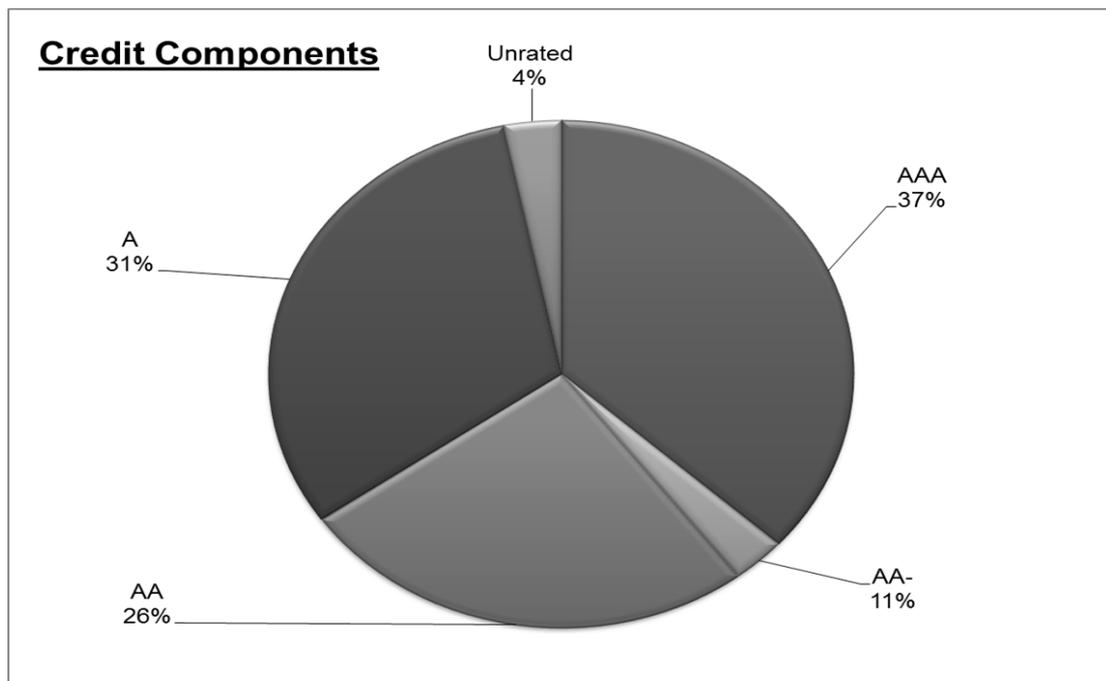
Investment Counterparty	Balance on 01/04/2015 £000	Amount Invested £000	Amount Matured £000	Balance on 31/03/2016 £000	Credit Rating
UK Local Authorities	7,000	27,700	(21,700)	13,000	AA
Banks	5,000	51,435	(54,935)	1,500	AA-
	0	9,037	9,037	0	A+
	13,000	57,150	(57,150)	13,000	A
	2,000	2,000	(4,000)	0	A-
Building Societies	2,000	18,500	(17,500)	3,000	A
	2,000	3,000	(5,000)	0	A-
	1,000	8,000	(8,000)	1,000	Unrated
Money Market Funds	28,110	416,198	(427,713)	16,595	AAA
Corporate	0	600	0	600	Unrated
Funds Managed Externally	1,000	1,000	0	2,000	AAA
<b>TOTAL INVESTMENTS</b>	61,110	594,620	(605,035)	50,695	

*Note: Any unrated building Societies utilised have been independently assessed as credit worthy*

- 3.28 Security of capital remained the main investment objective. This was maintained by following the counterparty policy set out in the Treasury Management Strategy Statement for 2015/16 which defined "high credit quality" organisations as those having a long-term credit rating of BBB+ or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

- 3.29 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority’s minimum long-term counterparty rating for 2015/16 was BBB+ across rating agencies Fitch, S&P and Moody’s); Credit Default Swap (CDS) prices, financial statements, information on potential government support and reports in the quality financial press.
- 3.30 The following chart shows the credit composition of the Council’s investment portfolio as at 31 March 2016:

**Investment Portfolio – Credit Components**



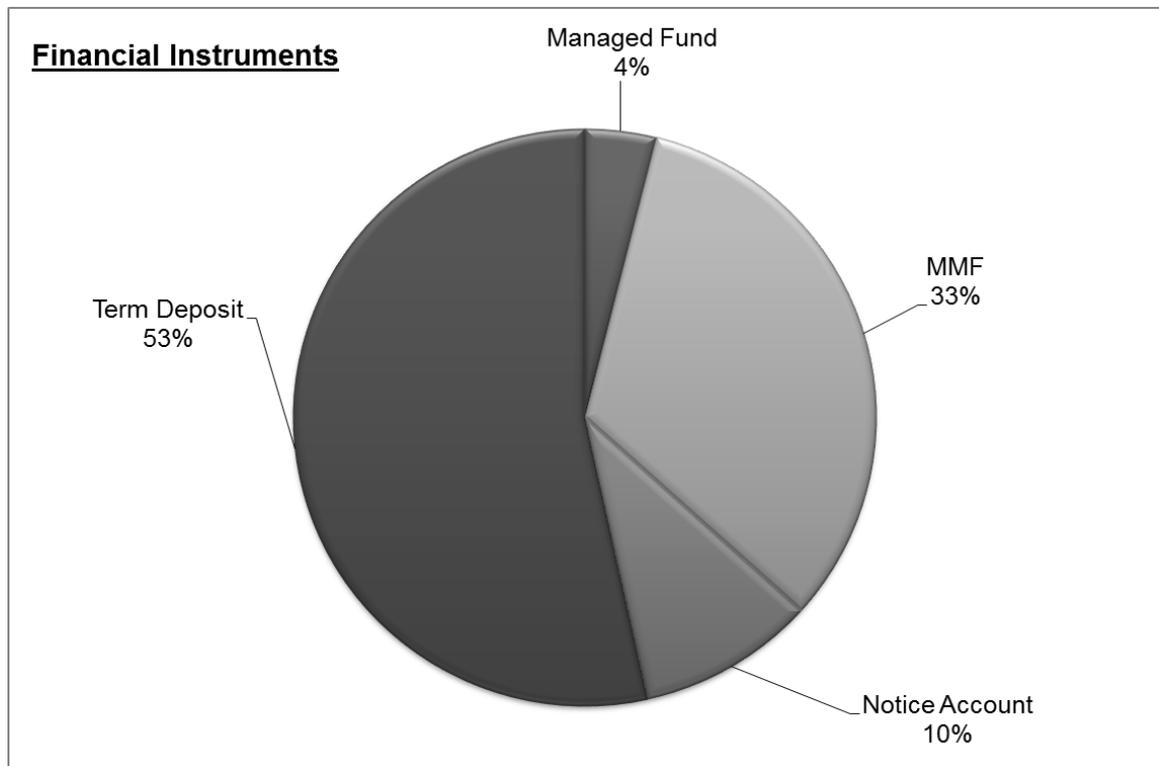
*Note: ‘Unrated’ institutions are Building Societies that despite the absence of a formal rating, are deemed credit worthy due to analysis of their performance over a variety of credit metrics. These institutions are subject to a lower counterparty limit than those with formal credit ratings*

- 3.31 Investments with banks and building societies were primarily call accounts and fixed-rate term deposits. The maximum duration of any new investment was constantly reviewed in line with the prevailing credit outlook during the year as well as market conditions.
- 3.32 The outlawing of bail-outs, the introduction of bail-ins, and the preference being given to large numbers of depositors other than local authorities means that the risks of making unsecured deposits rose relative to other investment options. The Authority included further options for investment diversification in the Treasury Management Strategy Statement for 2015/16. 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.

- 3.33 The Authority also has investments in externally managed cash plus funds which allow the Authority to diversify into asset classes other than cash with the need to own and manage the underlying investments. The funds which are operated on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short-term. The Authority's pooled fund investments are in the respective fund's 'distributing' share class which pay out the income generated.
- 3.34 Although money can be redeemed from the pooled funds at short notice, the Authority's intention is to hold them for the medium-term. Their performance and suitability in meeting the Authority's investment objectives are monitored regularly and discussed with Arlingclose.
- 3.35 For diversification purposes the Treasury Management team invest in a variety of counterparties and financial instruments to help mitigate counterparty and liquidity risks. A summary of the instruments invested in follows:

**Investment Portfolio – Financial Instruments**



- 3.36 The transposition of two European Union directives into UK legislation created hierarchy of burden regarding rescuing failing EU banks, depending on your investment category, a further factor to consider for local authorities and pension funds. During the year, all three credit ratings agencies reviewed their ratings to reflect the loss of government support for most financial institutions and the potential for loss given default as a result of new bail-in regimes in many countries. Despite reductions in government support many institutions saw upgrades due to an improvement in their underlying strength and an assessment that the level of loss given default is low.
- 3.37 Throughout the course of the year all three ratings agencies (Moody's, Fitch and S&P) reviewed and amended their ratings on many institutions. As a result of this the Authority made the decision to amend its counterparties.
- 3.38 At the end of July 2015, Arlingclose advised an extension of recommended durations for unsecured investments in certain UK and European institutions following improvements in the global economic situation and the receding threat of another Eurozone crisis. A similar extension was advised for some non-European banks in September and certain non-rated UK building societies durations were extended and counterparty lists amended.
- 3.39 In December the Bank of England released the results of its latest stress tests on the seven largest UK banks and building societies which showed that the Royal Bank of Scotland and Standard Chartered Bank were the weakest performers. However, the regulator did not require either bank to submit revised capital plans, since both firms had already improved their ratios over the year.
- 3.40 The first quarter of 2016 was characterised by financial market volatility and a weakening outlook for global economic growth. In March 2016, following the publication of many banks' 2015 full-year results, Arlingclose advised the suspension of Deutsche Bank and Standard Chartered Bank from the counterparty list for unsecured investments. Both banks recorded large losses and despite improving capital adequacy this will call 2016 performance into question, especially if market volatility continues. Standard Chartered had seen various rating actions taken against it by the rating agencies and a rising CDS level throughout the year. Arlingclose will continue to monitor both banks.
- 3.41 As previously reported in the Revenue Monitoring reports the budgeted investment income for the year estimated at £0.86 million was not achieved. The final income for the year was £0.55 million with the reduction due to:-

a) The continuing policy of relying on internal borrowing to temporarily fund and thereby delay borrowing for the capital programme, (saving £4 million in 2015/16) which also reduces balances available to put into investments and

b) Low interest rates offered for investments

3.42 The average return on investments for 2015/16 was 0.58% (which compares with 0.5% for 2014/15); this however does not reflect the savings of 3.5% on amounts internally borrowed. The UK Bank Rate was maintained at 0.5% throughout the year. The return on investments, along with our policy of internally borrowing, reflects prevailing market conditions and the objective of optimising returns commensurate with the principles of security and liquidity.

### **COMPLIANCE WITH PRUDENTIAL INDICATORS**

3.43 The Authority confirms that it has complied with its Prudential Indicators for 2015/16, which were approved on 24 February 2015 as part of the Treasury Management Strategy Statement. Details can be found in Appendix 1.

3.44 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 2015/16. 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.

### **4.0 FINANCIAL IMPLICATIONS**

4.1 In the financial year 2015/16 proactive treasury management activities resulted in an in-year saving of £4 million and this sum has been returned to the General Fund balances.

4.2 External debt dropped to £199.1 million, a decrease of £65.3 million since 2012, despite additional annual capital commitments. This has contributed to the generation of substantial savings with the annual Treasury Management budget being permanently reduced by £3.4 million between 2012/13 and 2015/16.

4.3 Investment income has also helped to generate resources for service delivery.

4.4 The 2016/17 Treasury Management budget has been further reduced by over £2 million to reflect permanent savings achieved in relation to 2015/16 activity.

## **5.0 LEGAL IMPLICATIONS**

5.1 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.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

6.1 There are none arising directly from this report.

## **7.0 RELEVANT RISKS**

7.1 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.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 There has been no specific consultation with regards to this report.

## **9.0 EQUALITY IMPLICATIONS**

9.1 There are none arising directly from this report

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## **APPENDICES**

Appendix – Prudential Indicators 2015/16

## **SUBJECT HISTORY**

Council Meeting	Date
Treasury Management Strategy Statement 2015-18	24 February 2015
Treasury Management Annual Report 2014-15	13 July 2015
Treasury Management Performance Monitoring	5 November 2015

## PRUDENTIAL INDICATORS 2015/16

## (a) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2015/16 to 2017/18 are shown in the table below:

Capital Financing Requirement	31/03/2016 Actual £m	31/03/2017 Estimate £m	31/03/2018 Estimate £m
General Fund	335.4	332.0	314.0

**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	31/03/2016 Actual £m	31/03/2017 Estimate £m	31/03/18 Estimate £m
Borrowing	208.1	211.2	202.7
Finance Leases	0.0	0.3	0.4
PFI liabilities	50.4	48.3	45.8
<b>Total Debt</b>	<b>258.5</b>	<b>259.8</b>	<b>248.9</b>
<b>Borrowing in excess of CFR?</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 2015/16.

	Operational Boundary (Approved) 31/03/2016 £m	Authorised Limit (Approved) 31/03/2016 £m	Actual External Debt 31/03/2016 £m
Borrowing	346.0	356.0	208.1
Other Long-term Liabilities	58.0	63.0	50.4
<b>Total</b>	<b>404.0</b>	<b>419.0</b>	<b>258.5</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>	£208.1m	£0m	<b>£208.1m</b>
Proportion of Borrowings	100%	0%	<b>100%</b>
Upper Limit	100%	100%	
<b>Investments</b>	£26.7m	£24.0m	<b>£50.7m</b>
Proportion of Investments	53%	47%	<b>100%</b>
Upper Limit	100%	100%	
<b>Net Borrowing</b>	<b>£181.4m</b>	<b>£-24.0m</b>	<b>£157.4m</b>
Proportion of Total Net Borrowing	115%	-15%	<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 16</b>	<b>% of Fixed Rate Borrowing as at 31 Mar 16</b>
	<b>%</b>	<b>%</b>	<b>£m</b>	<b>%</b>
Under 12 Months	80.0	0.0	20.3	9.8
12 Months and within 24 Months	50.0	0.0	9.2	4.4
24 Months and within 5 years	50.0	0.0	13.4	6.4
5 years and within 10 years	50.0	0.0	33.4	16.0
Over 10 years	100.0	20.0	131.8	63.3
<b>Total</b>			<b>208.1</b>	<b>100.0</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 2014/15 the limit was set at £30 million.

As at 31 March 2016 the Council had no investments longer than 364 days.

**(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 updated projections for 2016/17 and 2017/18 are included as a separate agenda item to this committee.

<b>Expenditure</b>	<b>31/03/16 Actual £m</b>	<b>31/03/17 Estimate £m</b>	<b>31/03/18 Estimate £m</b>
General Fund	<b>36.2</b>	59.0	17.7

Capital expenditure has or will be funded as follows:

<b>Capital Financing</b>	<b>31/03/16 Actual £m</b>	<b>31/03/16 Estimate £m</b>	<b>31/03/17 Estimate £m</b>
Capital receipts	<b>2.9</b>	14.8	2.4
Government Grants	<b>18.6</b>	22.1	13.1
Revenue and Reserves	<b>0.4</b>	1.2	0.1
Unsupported borrowing	<b>14.3</b>	20.9	2.1
<b>Total Funding</b>	<b>36.2</b>	59.0	17.7

**(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</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Costs to net</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Revenue Stream</b>	<b>%</b>	<b>%</b>	<b>%</b>
Ratio	7.59	10.0	10.5

**(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</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Capital Investment</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Decisions</b>	<b>£</b>	<b>£</b>	<b>£</b>
Increase in Band D Council Tax	0.42	13.04	2.84

**(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 24 February 2015.

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**COUNCILLOR PHIL DAVIES**

**CABINET**

**18 JULY 2016**

**REVENUE MONITORING 2016/17**

**QUARTER 1 (TO JUNE 2016)**

**Councillor Phil Davies (Leader of the Council) said:**

“Ensuring robust, transparent and effective management of our finances remains of the utmost importance. As national austerity policies continue, the responsibility falls on local government to ensure the services which residents rely on every day remain viable.

“Wirral Council once again has set a balanced and sustainable budget, and is committed to working hard throughout the year to ensure it is delivered. We are reporting a small variance and projected overspend this year – less than 0.5% of our revenue budget – and we remain confident we have the necessary plans and systems in place to quickly rectify this situation and once again deliver a balanced budget at the end of the financial year.”

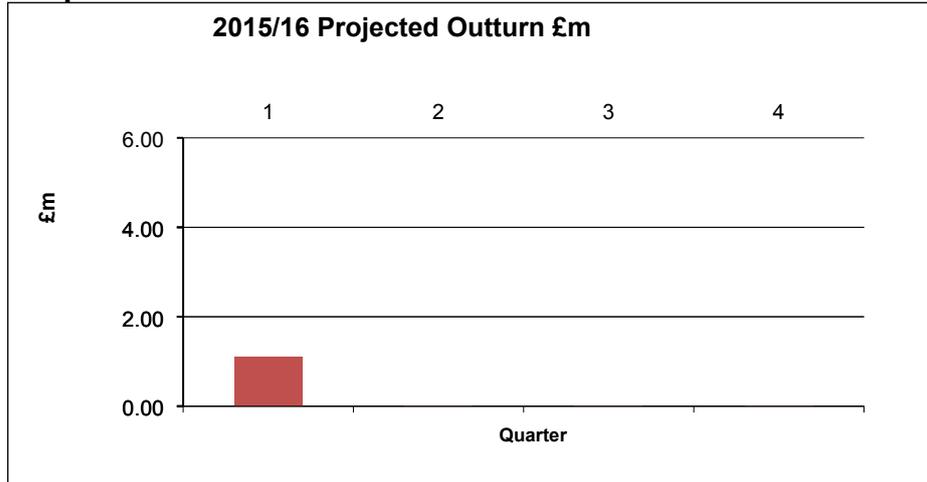
**REPORT SUMMARY**

This report sets out the projected revenue position for 2016/17 as at the close of quarter 1 (30 June 2016).

The latest position forecasts an overspend of £1.1 million for 2016/17. Council agreed a Revenue Budget Contingency of £12 million in anticipation of increasing pressures and the delayed delivery of previously agreed savings.

The headline position is shown in the graph.

**Graph 1: Wirral Council – 2016/17 General Fund Variance**



This is a key decision which affects all Wards within the Borough.

### **Recommendations**

1. That the £11.1 million distribution of the Revenue Budget Contingency be approved.
2. That the use of £1.6 million of General Fund balances be referred to Council for approval.
3. That the receipt of £0.17 million of New Homes Bonus Returned Funding Grant which will be added to General Fund Balances be noted.
4. That the underspend of £1.3 million identified following the closure of the 2015/16 accounts being added to General Fund Balances be noted.
5. That Officers identify actions and take measures to reduce the projected overspend of £1.1 million and replenish General Fund balances.

## SUPPORTING INFORMATION

### 1.0 REASONS FOR RECOMMENDATIONS

1.1 The Council, having set a Budget at the start of the financial year, needs to ensure that the delivery of this Budget is achieved. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required which is enhanced with the regular reporting of the financial position.

### 2.0 OTHER OPTIONS CONSIDERED

2.1 This is a monitoring report but any options to improve the monitoring and budget accuracy will be considered.

### 3.0 BACKGROUND INFORMATION

#### 3.1 CHANGES TO THE AGREED BUDGET

3.1.1 The 2016/17 Budget was agreed by Council on 3 March 2016. Any increase in the Budget has to be agreed by full Council. Changes to the Budget since it was set are summarised in Table 1.

**Table 1: 2016/17 Original & Revised Net Budget by Directorate £000's**

	Original Net Budget	Proposed Budget Change Quarter 1 Use of Contingency	Proposed Budget Change Quarter 1 Use of Balances	Revised Net Budget
	£ms	£ms	£ms	£ms
FWB - Adult Social Care	71,311	3,900	1,500	76,711
FWB – Children & Young People,	67,773	5,000	-	72,773
FWB - Further Areas: Safeguarding, Schools, Leisure, Public Health	9,383	-	100	9,483
Regeneration & Environment	83,607	-	-	83,607
Transformation & Resources	24,730	500	-	25,230
Corporate Growth, Savings & Grant	7,791	- 9,400		-1,609
<b>Net Cost of Services</b>	<b>264,595</b>	<b>-</b>	<b>1,600</b>	<b>266,195</b>

3.1.2 The revenue budget included within it a Contingency to mitigate the financial risks associated with demand pressures and the delivery of previously agreed savings.

3.1.3 Following a review of the financial position and having regard to the 2015/16 out-turn it is recommended that £11.1 million of the Revenue budget Contingency now be allocated. This relates to £3.9 million within Adult Social Services, £5 million in Childrens Services, £0.5 million for Transformation and Resources and £1.7 million in respect of corporate budgets.

- 3.1.4 After use to mitigate pressures and additional care fee costs, £0.9 million of the Revenue Budget Contingency will remain. The allocation of General Fund balances will increase the 2016/17 net cost of services budget by £1.6 million.
- 3.1.5 Cabinet on 6 June 2016 agreed Social Care Fees Setting proposals for 2016/17. The investment is £3 million above the current budget. £1.5 million transferred from the Revenue Budget Contingency and a call on General Fund Balances for the remaining £1.5 million.
- 3.1.6 The Passport for Life concession proposal was revoked after the budget was set in March 2016. The cost of this is approximately £0.1 million and is to be met from General Fund Balances in 2016/17.
- 3.1.7 The Department of Communities and Local Government (DCLG) on 23 May 2016 announced that Wirral would receive a grant payment of £0.17 million. This relates to a national allocation of unrequired monies originally top-sliced from formula grant to fund the New Homes Bonus scheme. This money will be added to General Fund Balances.
- 3.1.8 The closure of the 2015/16 Accounts resulted in an underspend of £1.3 million on the revenue budget. This amount has been added to General Fund Balances. Further details are in the Out-turn 2015/16 report on this agenda.

## PROJECTIONS AND KEY ISSUES

- 3.2.1 The projected outturn position as at the end of June 2016, key issues emerging and Directorate updates are detailed in the following sections.

**Table 2: 2016/17 Projected Budget variations by Directorate £000's**

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Quarter 1	RAGBY Class	Change from prev
FWB - Adult Social Care	76,711	76,711	0	G	-
FWB – Children & Young People	72,773	76,073	3,300	R	-
FWB - Further Areas: Safeguarding, Schools, Leisure, Public Health	9,483	9,783	300	G	-
Regeneration & Environment	83,607	83,607	0	G	-
Transformation & Resources	25,230	22,730	-2,500	Y	-
Corporate Growth, Savings & Grant	-1,609	-1,609	0	G	-
<b>TOTAL</b>	<b>266,195</b>	<b>267,295</b>	<b>1,100</b>		<b>0</b>

The report classifies the forecast under/overspends for the above areas using a colour RAGBY rating. The ratings are defined as follows:

- Extreme: Overspends **Red** (over +£301k), Underspend **Yellow** (over -£301k).
- Acceptable: **Amber** (+£141k to +£300k), **Green** (range from +£140k to -£140k); **Blue** (-£141k to -£300k).

### **3.3 DIRECTORATE UPDATES**

#### **3.3.1 Families and Wellbeing: Adult Social Care**

- Following the outcome of the implementation of the Care Cost review, including the impact of the National Living Wage and overnight allowances Cabinet on 6 June 2016 agreed to increase the investment in this service by £3 million as referred to in Section 3.1.6.
- There are a number of savings rated red or amber which are primarily prior year savings. Progress of these will be closely monitored. Resources were identified within, and have been allocated from, the Revenue Budget Contingency to offset the pressures in 2016/17.
- A number of on-going pressures exist around demographics and demand and the Directorate has identified mitigating actions to deal with the remaining pressures. However, these do present risks to the successful delivery of the budget in 2016/17.

#### **3.3.2 Families and Wellbeing: Children and Young People**

- There are a number of savings rated red or amber which are primarily prior year savings. Resources were identified within, and have been allocated from, the Revenue Budget Contingency to offset the pressures in 2016/17.
- The forecast overspend relates to significant pressures within looked after children, agency and transport and assumes the achievement of targets in respect of reductions in residential placements and agency staff.

#### **3.3.3 Families and Wellbeing: Other**

- Reversal of Passport for Life saving decision requires use of £0.1 million from General Fund Balances.
- Leisure budget pressures of £0.3 million relate to meeting previously agreed saving targets in respect of reduction in overall subsidy combined with new targets.
- Nothing to report at this stage in respect of Schools, Safeguarding and Public Health

#### **3.3.4 Regeneration and Environment**

- No variances forecast as yet. Number of areas which generated savings in 2015/16 were incorporated as savings within the 2016/17 Budget.
- As the year progresses underspends may emerge but at this stage outturn is protected to be as the Budget.

#### **3.3.5 Transformation & Resources**

- Overall underspend from pro-active treasury management activity including extended temporary internal borrowing being used to replace more expensive external borrowing.

- Asset Management forecasting £0.5 million overspend relating to the delivery of previously agreed savings. Resources were identified within, and have been allocated from, the Revenue Budget Contingency. The position may improve as the year progresses if income and Planned Preventative Maintenance spend is similar to the levels in 2015/16.

### 3.4 IMPLEMENTATION OF SAVINGS

3.4.1 Savings of £31 million were agreed when setting the 2016/17 Budget. A further £10 million of savings relating to previous years savings had not been implemented. Cabinet in July 2015 agreed to re-profile £9.6 million of the 2015/16 savings to 2016/17, whilst a further £0.6 million was unachieved by March 2016. An analysis of the position of the £41 million of savings has been undertaken and is summarised below.

**Table 3: Budget Implementation Plan 2015/16 (£000's)**

RAG	Total identified Shortfall from 2015/16 and prior	Pre-Agreed 16/17	Agreed in 2016/17	Total
Red	5,400	460	3,205	9,065
Amber	1,592	1,420	1,365	4,377
Green	3,200	940	401	4,541
Blue	-	300	23,452	23,752
<b>TOTAL</b>	<b>10,192</b>	<b>3,120</b>	<b>28,423</b>	<b>41,735</b>

3.4.2 The savings tracker contains an assessment of the 2016/17 savings.

- **Blue:** Represents £23.7 million of savings (57% of total) which have already been realised.
- **Green:** Savings on track to deliver
- **Amber:** Some concerns regarding delivery and will require closer scrutiny and monitoring and includes savings within Adults, Children and Asset Management.
- **Red:** Concerns although largely covered by Revenue Budget Contingency as detailed earlier in the report. Comprised of Children's (£4.3 million), Adults (£1.1million) and Remodelling (£1.7 million).

### 3.5 INCOME AND DEBT

3.5.1 Revenue and Income falls into four broad areas for reporting purposes. Amounts raised and collected in the year are shown in Table 4.

**Table 4: Amount to be Collected in 2016/17**

	<b>2016/17</b>	<b>2016/17</b>	
	<b>Collectable</b>	<b>Collected</b>	<b>%</b>
	<b>£000</b>	<b>£000</b>	
Council Tax	146,136	40,444	27.7%
Business Rates	76,389	22,392	29.3%
Fees and charges: Adults & Children	24,957	9,492	38.0%
Fees and charges: all other services	23,350	13,853	59.3%

**COUNCIL TAX**

- 3.5.2 Compared with June 2015 the collection performance is the same in percentage terms but in terms of cash received an additional £1.7 million has been collected. The following table compares the amount collected for Council Tax in the period 1 April 2016 to 30 June 2016 with the amount collected in the same period in 2015/16:

**Table 5 Council Tax Comparatives**

	<b>Actual</b>	<b>Actual</b>
	<b>2016/17</b>	<b>2015/16</b>
	<b>£000s</b>	<b>£000s</b>
Cash to Collect	146,136	139,662
Cash Collected	40,444	38,739
% Collected	27.7%	27.7%

- 3.5.3 The major change this year relates to a 4% increase in the amount collectable of which 2% is for Adult Social Care. Overall Council Tax levels are £6.5 million more than this time last year. There has been a reduction in numbers eligible for Council Tax Support over the last 12 months which increases the number of people who may face difficulties in paying this additional cost.

**BUSINESS RATES**

- 3.5.4 Cash received to 30 June 2016 is up by £0.4 million on the equivalent period a year ago. The percentage collected to date however is lower due to the timing of in year receipts from some large properties. Business Rate levels collectable are £4.5 million than this time last year reflecting increases to the valuation list.
- 3.5.6 The table compares the amount collected for the period 1 April 2016 to 30 June 2016 with the amount collected for the same period in 2015/16:

**Table 6: National Non-Domestic Rates Comparatives**

	<b>Actual</b>	<b>Actual</b>
	<b>2016/17</b>	<b>2015/16</b>
	<b>£000s</b>	<b>£000s</b>
Cash to Collect	76,389	71,215
Cash Collected	22,392	21,905
% Collected	29.3%	30.8%

3.5.5 Wirral is part of the Liverpool City Region Business Rates Retention pilot scheme. It is expected that next year we may retain 100% of all Business Rates collected; the figure is currently 49%. Any increase in income will however likely be offset by reduction/cancelling of Government grants and the transfer to Wirral of additional responsibilities. The DCLG have stated that pilot authorities will not be financially disadvantaged by being part of the pilot. Wirral currently receives more in the centrally allocated NNDR 'top-up' grant than its proportion of collectable NNDR.

## DEBTORS

3.5.7 At the end of June 2016 the arrears stood at £25.2 million. The table provides an analysis across service areas and the amount of debt at each recovery stage:

**Table 7: Accounts Receivable Outstanding Arrears Analysis**

Directorate Description	Less than 10 days	1st reminder	2nd reminder	3rd reminder	Total at 30.06.16
	£	£	£	£	£
Chief Executive	84,847	2,181	17,678	928,456	1,033,162
Neighbourhood	40,662	0	5,316	12,843	58,821
Transformation & Resources	6,037,312	722,184	167,242	1,285,860	8,212,598
Families & Wellbeing	4,049,227	669,452	480,082	9,901,379	15,100,140
Regeneration & Environment	633,779	33,932	81,185	323,928	1,072,824
Policy & Performance	0	0	0	121,353	121,353
<b>Totals</b>	<b>10,845,827</b>	<b>1,427,749</b>	<b>751,503</b>	<b>12,573,819</b>	<b>25,598,898</b>

3.5.8 The above figures are for invoices in respect of the period up to the end of June 2016. 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 £362,995 to be made for unallocated payments at month end leaving a balance of **£25,235,903**

## 4.0 FINANCIAL IMPLICATIONS

4.1 On 22 February 2016 Cabinet agreed to the level of General Fund balance for 2016/17 being based upon a risk calculation and a minimum of £11.5 million. The level is kept under review during the year to reflect changing circumstances and in-year developments.

4.2 As reported elsewhere on this Cabinet agenda the 2015/16 financial year saw an underspend of £1.3 million on the revenue budget which will be added to balances. A further £0.2 million will be added from the receipt of returned New Homes Bonus grant which was top-sliced from the finance settlement by the DCLG.

- 4.3 As referred to in this report above £1.5 million of balances are required for funding 2016/17 care fees and a further £0.1 million to fund the passport for life saving reversal,

**Table 8: Summary of the Projected General Fund Balances**

Details	£m
Balance 31 March 2016 when setting the Budget 2016/17	+11.5
Add; Additional Returned New Homes Bonus Grant	0.2
Add: Increase following closure of 2015/16 accounts	1.3
Less: Allocation for care fees	-1.5
Less: Reversal of passport for life budget option	-0.1
<b>Projected Balance Excluding Current Year Projection</b>	<b>11.4</b>
Less: Potential overspend at June 2016	-1.1
<b>Projected Balance 31 March 2017</b>	<b>10.3</b>

- 4.4 The requirement to replenish the General Fund balances to the minimum level will be addressed through Directorates identifying potential underspends in the current financial year together with a mid-year review of the Earmarked Reserves. The Reserves excluding School balances totalled £58.8 million at 1 April 2016. These include reserves relating to the cost of transformation, mitigation of future financial risks and specific project support.
- 4.5 There are no IT, staffing or asset implications arising directly out of this report.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 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 them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources available to it to meet that expenditure.

## **6.0 RESOURCE IMPLICATIONS; ICT, STAFFING AND ASSETS**

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

## **7.0 RELEVANT RISKS**

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
- Senior Leadership Team / Directorate Teams reviewing the financial position.
  - Tracking system of savings options to monitor progress.
  - Benefits Realisation Group monitors the delivery of key change projects.
  - Use of temporary additional support to assist with revenues collection.
  - Use of earmarked reserves and General Fund Balance savings risk contingency

## 8.0 ENGAGEMENT/CONSULTATION

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

## 9.0 EQUALITIES IMPLICATIONS

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

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## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Budget Council	3 March 2016



**COUNCILLOR PHIL DAVIES**

**CABINET**

**18 JULY 2017**

**CAPITAL MONITORING 2016/17**

**QUARTER 1 (TO JUNE 2016)**

**Councillor Phil Davies (Leader of the Council) said:**

'It is important that we are robust and transparent in how we manage all Council expenditure. This report demonstrates the major investment we are making against our priorities and that we are taking sensible and pragmatic steps to make best use of resources to develop our assets to support our services to the public.'

**REPORT SUMMARY**

This report provides an update on the progress in delivering the Capital Programme 2016/17 at the end of June 2016. The report recommends that Cabinet agrees the 2016/17 Capital Programme of £58.97 million which now takes into account re-profiling identified during both the 2015/16 final accounts process and the current year together with any additional grant funding notified to the Council. Expenditure to date is £2.7 million.

This matter is a key decision which affects all Wards within the Borough.

**RECOMMENDATIONS**

To note the spend to date at Month 3 of £2.7 million, with 25% of the financial year having elapsed, a period when a number of payments relate to the 2015/16 accounts.

To agree and refer to Council the revised Capital Programme of £58.97 million (Table 1).

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

1.1 Regular monitoring and reporting of the Capital Programme enables decisions to be taken faster which may produce revenue benefits and will improve financial control of the Programme.

### 2.0 OTHER OPTIONS CONSIDERED

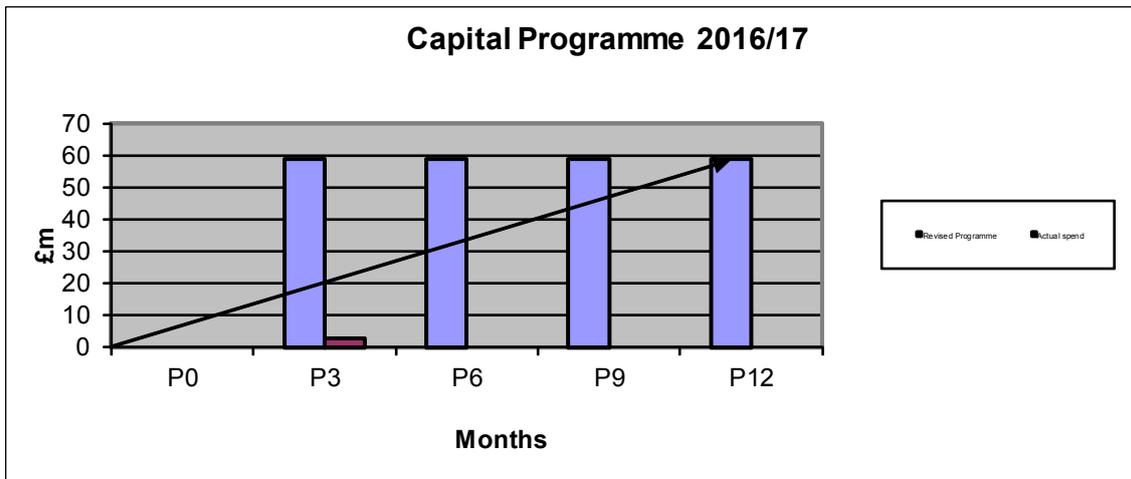
2.1 No other options have been considered.

### 3.0 BACKGROUND INFORMATION

#### OVERALL POSITION AT END OF JUNE 2016

3.1 The actual spend against the Capital Programme is summarised in Table 1.

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



#### ORIGINAL AND PROPOSED CAPITAL PROGRAMME FOR 2016/17

3.2 The Programme for 2016/17 is subject to change. Presently it reflects;

	<b>£000</b>
Programme agreed by Cabinet on 22 February 2016	48,107
Variations identified Month 10 monitoring 2015/16	2,750
Year end re-profiling	6,364
Additional grant funding	1,750
<b>Revised 2016/17 Programme</b>	<b>58,971</b>

**Table 1: Capital Programme 2016/17 at 30 June 2016**

	<b>Capital Strategy</b>	<b>Revisions Since Budget Cabinet</b>	<b>Revised Capital Programme</b>	<b>Actual Spend June 2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Transformation Resources	7,863	1,755	9,618	637
Families – Children	9,185	3,766	12,951	564
Families – Adults	10,255	794	11,049	167
Families – Sport & Rec	2,871	368	3,239	351
R&E– Env & Regulation	10,016	2,635	12,651	551
R&E– Hsg & Comm Safety	7,317	847	8,164	430
R& E – Regeneration	600	699	1,299	4
<b>Total expenditure</b>	<b>48,107</b>	<b>10,864</b>	<b>58,971</b>	<b>2,704</b>

- 3.3 As outlined above a number of schemes within the Programme have been re-profiled to reflect updated project delivery forecasts and changes in available funding. These are reflected in Table 1. The expenditure figures are suppressed by the inclusion of a number of credits for capital accruals charged against the 2015/16 year in accordance with accounting practice. The significant variances which have arisen since Budget Cabinet are shown in Table 2 below.

**Table 2: Significant Variations (> £0.2m) to the 2016/17 Programme**

<b>Scheme</b>	<b>£000</b>
<b>Transformation &amp; Resources</b>	
Building refurbishment to increase occupancy – schemes proceeding ahead of schedule	-202
Park depot rationalisation – re-profiled	252
Energy efficiency initiatives – re-profiled	218
I.T. Development – re-profiled	1,423
<b>Families &amp; Wellbeing – Children</b>	
School Place Planning – re-profiled	1,617
Condition/Modernisation – re-profiled	1,028
Basic Needs – re-profiled	1,096
Wirral Youth Zone (The Hive) – scheme proceeding ahead of schedule	-500
<b>Families &amp; Wellbeing – Adults</b>	
Citizen and Provider Portal – re-profiled	617
<b>Reg &amp; Env – Environment &amp; Regulation</b>	
Transport for Growth – re-profiled	216
Highway Maintenance – re-profiled	222

Additional Grant Funding – flood defence, pot holes, integrated transport, highways maintenance	1,750
<b>Reg &amp; Env – Housing</b> Aids, Adaptations and DFGs – reduced requirement to reflect a more deliverable programme	-612
New House Building Programme	1,000
<b>Reg &amp; Env – Regeneration</b> Business Investment Grants – re-profiled	675
	<b>8,800</b>

- 3.4 Schemes will be subject to an ongoing review to ensure that a deliverable programme is in place, that they are compatible with the 2020 Vision and to try and identify any savings.

### FINANCING OF THE CAPITAL PROGRAMME

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

**Table 3: Revised Capital Programme Financing**

Capital Programme Financing	Capital Strategy	Revised Programme
	£000s	£000s
Unsupported Borrowing	16,852	20,970
Capital Receipts	13,339	14,762
Revenue and Reserves	1,004	1,184
Grants	16,912	22,055
<b>Total Financing</b>	<b>48,107</b>	<b>58,971</b>

- 3.6 Any re-profiling which reduces borrowing will produce one-off revenue savings. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2017/18 when the re-profiled expenditure is incurred.

### PROJECTED LONGER TERM CAPITAL PROGRAMME

- 3.7 Funding for the forecast 2016/17 to 2018/19 Programme is in Table 4. This reflects the 2016-19 Capital Programme agreed by Cabinet on 22 February 2016 with subsequent amendments for reprofiling and revised grant notifications. The programme post 2016/17 is fairly small at the moment but may increase as 2015/16 schemes are reprofiled and new schemes are identified for inclusion in future capital programmes during the year.

**Table 4: Capital Programme Financing 2016/17 to 2018/19**

<b>Capital Programme Financing</b>	<b>2016/17 Revised Programme</b>	<b>2017/18 Programme</b>	<b>2018/19 Programme</b>	<b>Total Programme</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Unsupported Borrowing	20,970	2,040	1,720	24,730
Capital Receipts	14,762	2,414	0	17,176
Revenue / Reserves	1,184	66	50	1,300
Grants	22,055	13,135	0	35,190
<b>Total Financing</b>	<b>58,971</b>	<b>17,655</b>	<b>1,770</b>	<b>78,396</b>

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

- 3.8 Based on the current cost, £1 million of Prudential Borrowing would result in additional revenue financing costs of approximately £75,000 per annum in the following year. As part of the Capital Strategy 2016/17 to 2018/19 the Council has included an element of prudential borrowing. Presently there is £24.7 million new unsupported borrowing included over the three years, which will result in approximately £1.9 million of additional revenue costs detailed at Table 5.

**Table 5: Unsupported Borrowing Forecasts & Revenue Costs**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
New Unsupported Borrowing	20,970	2,040	1,720	0
Cumulative	20,970	23,010	24,730	24,730
Annual Revenue repayment costs				
Cumulative	367	1,608	1,756	1,855

### **CAPITAL RECEIPTS POSITION**

- 3.9 The Capital Programme is reliant on the Council generating capital receipts to finance future schemes. Available capital receipts at 1 April 2016 were £8.047 million. The table assumes the proposed spend, set out at Table 1 is agreed. Receipts and funding assumptions are based upon the latest estimates.

**Table 6: Projected Capital Receipts position**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Receipts Reserve	8,047	285	4,871
In - Receipts Assumption	7,000	7,000	4,500
Out - Funding assumption	-14,762	-2,414	0
Closing Balance	285	4,871	9,371

**3.10** Additional flexibilities relating to the use of future capital receipts were announced in the Autumn Statement. This may result in a re-assessment of the Authority's intended use of future receipts with a subsequent impact on the financing of future capital programmes.

**3.11** The Council is currently negotiating with the prospective developers of Acre Lane and the Manor Drive sites. No account has been taken as yet for any potential receipt in connection with the former Rock Ferry High School.

#### **4.0 FINANCIAL IMPLICATIONS**

**4.1** The revised 2016/17 Capital Programme is £58.97 million and anticipated capital receipts remaining at the year-end £0.3 million.

#### **5.0 LEGAL IMPLICATIONS**

**5.1** There are none arising directly from this report.

#### **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

**6.1** There are none arising directly from this report.

#### **7.0 RELEVANT RISKS**

**7.1** The possibility of failure to deliver the Capital Programme will be mitigated by the monthly review by a senior group of officers, charged with improving performance.

**7.2** The generation of capital receipts may be influenced by factors outside the authority's control e.g. ecological issues. Lambert, Smith, Hampton are still providing external support.

#### **8.0 ENGAGEMENT/CONSULTATION**

**8.1** There has been no specific consultation with regards to this report.

#### **9.0 EQUALITY IMPLICATIONS**

**9.1** There are none arising directly from this report

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#### **APPENDICES**

Appendix 1 – Capital Programme and Funding 2016/17

Appendix 2 – Capital receipts 2016/17

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Capital monitoring reports presented to Cabinet previous report to Cabinet	Various
Capital Programme – Council	24 February 2015
Capital Programme – Council	3 March 2016

**Capital Programme and Funding 2016/17****APPENDIX 1**

<b>Transformation &amp; Resources</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Building refurbishment to increase occupancy	<b>1,417</b>	395	1,417	-	-	<b>1,417</b>
Cleveland St. Transport Depot	<b>2,878</b>	-	2,878	-	-	<b>2,878</b>
Demolish Bebington Town Hall	<b>378</b>	-	378	-	-	<b>378</b>
Demolish former Rock Ferry High	<b>395</b>	-	395	-	-	<b>395</b>
Park depots rationalisation	<b>1,002</b>	37	1,002	-	-	<b>1,002</b>
Energy efficiency Initiatives	<b>218</b>	-	218	-	-	<b>218</b>
Demolish Stanley Special & external renovation work	<b>18</b>	-	18	-	-	<b>18</b>
Demolish Foxfield	<b>30</b>	-	30	-	-	<b>30</b>
CCTV Cameras and other equipment	<b>100</b>	-	100	-	-	<b>100</b>
I.T. development	<b>1,423</b>	190	1,423	-	-	<b>1,423</b>
Transport Museum	<b>261</b>	-	261	-	-	<b>261</b>
Flaybrick Cemetery	<b>175</b>	12	175	-	-	<b>175</b>
Industrial Estates	<b>150</b>	-	150	-	-	<b>150</b>
Millennium Centre re-modelling	<b>523</b>	2	523	-	-	<b>523</b>
Treasury Building	<b>650</b>	-	650	-	-	<b>650</b>
	<b>9,618</b>	<b>636</b>	<b>9,618</b>	-	-	<b>9,618</b>

<b>Families and Wellbeing – CYP</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Elleray Park Special School redevelopment	<b>72</b>	-	72	-	-	<b>72</b>
School Place Planning	<b>3,117</b>	61	2,423	-	694	<b>3,117</b>
Condition/Modernisation	<b>4,114</b>	243	-	-	4,114	<b>4,114</b>
Basic Need allocation	<b>2,510</b>	95	-	-	2,510	<b>2,510</b>
Children's centres	<b>32</b>	-	-	-	32	<b>32</b>
Youth Capital	<b>149</b>	-	98	-	51	<b>149</b>
Funding for 2 year olds	<b>17</b>	-	-	-	17	<b>17</b>
Universal Free School Meals	-	13	-	-	-	-
Somerville Mobile Replacement	<b>101</b>	-	101	-	-	<b>101</b>
PFI	<b>85</b>	-	-	85	-	<b>85</b>
Family Support Scheme	<b>237</b>	45	237	-	-	<b>237</b>
Wirral Youth Zone – the Hive	<b>1,900</b>	-	1,900	-	-	<b>1,900</b>
Stanley Special - additional classrooms, medical/hygiene provision	<b>617</b>	107	617	-	-	<b>617</b>
	<b>12,951</b>	<b>564</b>	<b>5,448</b>	<b>85</b>	<b>7,418</b>	<b>12,951</b>

<b>Families and Wellbeing – DASS</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Citizen and Provider Portal for Social and Health Services	617	-	-	-	617	617
Transformation of Day Service	156	92	-	-	156	156
Integrated IT	461	75	461	-	-	461
Pensby Wood day service re-modelling	1,200	-	1,200	-	-	1,200
Extra Care housing	2,000	-	1,000	-	1,000	2,000
LD Extra Care housing	3,000	-	3,000	-	-	3,000
Integrated social care – Girtrell Court	2,000	-	2,000	-	-	2,000
Assistive Technology	615	-	230	-	385	615
Community Intermediate Care Services	1,000	-	1,000	-	-	1,000
	<b>11,049</b>	<b>167</b>	<b>8,891</b>	<b>-</b>	<b>2,158</b>	<b>11,049</b>
<b>Families and Wellbeing - Sports &amp; Recreation</b>						
West Kirby/Guinea Gap/Europa Pools	242	3	242	-	-	242
Refurb of Artificial Turf Pitch & perimeter fence repairs at the Tennis & Sports Centre	48	-	48	-	-	48
West Kirby Marine Lake – Integrated accommodation and service delivery	825	37	675	-	150	825
Leasowe Leisure outdoor 3G pitches	820	-	820	-	-	820
The Oval re-development	979	45	979	-	-	979
Bidston Tennis Centre re-roofing	325	266	325	-	-	325
	<b>3,239</b>	<b>351</b>	<b>3,089</b>	<b>-</b>	<b>150</b>	<b>3,239</b>

<b>Regeneration and Environment - Environment &amp; Regulation</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Road Safety	97	52	97	-	-	97
Active Travel	78	-	78	-	-	78
Bridges	292	8	292	-	-	292
Highway Maintenance	3,373	257	311	-	3,062	3,373
Preventative maintenance to unclassified and residential streets	500	-	500	-	-	500
Pothole Action Fund	206	-	-	-	206	206
Transport for Growth	478	-	-	-	478	478
Integrated Transport	1,375	-	-	-	1,375	1,375
Start Active, Play Active, Stay active	14	5	14	-	-	14
Wirral Way - widening / safety improvements	4	2	4	-	-	4
Cemetery Extensions and Improvements	273	-	273	-	-	273
Coast Protection	242	-	242	-	-	242
East Float access improvements Tower Road	200	-	-	-	200	200
Wirral International Business Park connections	200	-	-	-	200	200
East Float access improvements Duke Street	400	12	-	-	400	400
Energy schemes (LED Street Lighting)	32	55	32	-	-	32
Allotments	121	150	121	-	-	121
Parks vehicles replacement	117	-	117	-	-	117
West Kirby Flood Alleviation	1,953	-	503	150	1,300	1,953
Gorsefield Avenue flood relief	100	-	20	-	80	100
Dock Bridges Replacement	2,596	8	771	-	1,825	2,596
	<b>12,651</b>	<b>549</b>	<b>3,375</b>	<b>150</b>	<b>9,126</b>	<b>12,651</b>

<b>Regeneration and Environment - Housing &amp; Community Safety</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Aids, Adaptations and Disabled Facility Grants	<b>3,696</b>	317	1,550	-	2,146	<b>3,696</b>
Clearance	<b>1,443</b>	5	712	350	381	<b>1,443</b>
Home Improvement	<b>722</b>	108	423	299	-	<b>722</b>
Improvement for sale grants	<b>180</b>	-	-	180	-	<b>180</b>
Housing renewal	<b>470</b>	-	350	120	-	<b>470</b>
New House Building Programme	<b>1,001</b>	-	1,001	-	-	<b>1,001</b>
Cluster of Empty Homes Fund	<b>652</b>	-	-	-	652	<b>652</b>
	<b>8,164</b>	<b>430</b>	<b>4,036</b>	<b>949</b>	<b>3,179</b>	<b>8,164</b>
<b>Regeneration and Environment - Regeneration</b>						
Business Investment Grants	<b>975</b>	-	975	-	-	<b>975</b>
The Priory	<b>24</b>	4	-	-	24	<b>24</b>
Growth Fund	<b>300</b>	-	300	-	-	<b>300</b>
	<b>1,299</b>	<b>4</b>	<b>1,275</b>	<b>-</b>	<b>24</b>	<b>1,299</b>
<b>Total</b>	<b>58,971</b>	<b>2,701</b>	<b>35,732</b>	<b>1,184</b>	<b>22,055</b>	<b>58,971</b>

**Capital Receipts 2015/16****APPENDIX 3**

<b>Cash Received</b>	<b>£000</b>
Ex-HRA Magenta Housing Right to Buy	389
North Star, 294 Laird Street	15
One O'clock Gun House	10
Empty Homes (various)	55
<b>Total</b>	<b>469</b>

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**CLLR MATTHEW PATRICK**

**CABINET**

**Monday 18 July 2016**

**WIRRAL PLAN: A 2020 VISION -  
UNDERPINNING STRATEGIES:  
DIGITAL STRATEGY**

**Councillor Matthew Patrick, Cabinet Member - Community Engagement and Communications, said:**

This Digital Wirral Strategy – a first of its kind in our borough – sets out to an ambitious Vision for a truly connected Wirral, where people, businesses and the entire community are helped to do business, access services and interact with public services and each other digitally and easily. Our Vision is that, by 2020, Wirral is a place where;

- EVERY resident will have the ability, and the skills, to connect to people, services and the world online.
- EVERY business will be connected to Global markets through high-speed, reliable broadband.
- EVERY service will be available online; in as simple, accessible and seamless format as they are in person.

I encourage you to read this Strategy and to get involved in helping us to create a connected, digital Wirral for everyone.

**REPORT SUMMARY**

The Wirral Plan: A 2020 Vision sets out a shared partnership vision to improve outcomes for Wirral residents. Delivery of the priorities and outcomes described in the Plan are underpinned through the development and implementation of a set of key strategies.

This report provides Cabinet with the Wirral Digital Strategy. It sets out a collective ambition where *“Wirral becomes a truly digital borough, where businesses and residents are connected to each other, services and the world. Digital technology is harnessed to create efficient and seamless services for residents, to support businesses to succeed and compete in Global markets and to drive a step-change in community engagement, connectivity and participation.”*

This matter affects all Wards within the Borough and is therefore a key decision.

**RECOMMENDATION/S**

Cabinet is requested to approve the Wirral Digital Strategy which is appended to this report.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

The Wirral Plan commits to ensuring 'Technology and Infrastructure' in Wirral is modern, fit for purpose and allows for our economy to compete in a digital economy. This Strategy is designed to deliver part of this Pledge, and also to ensure that the borough's digital infrastructure is of the highest possible quality in order to support all other Pledges and Strategies in place to deliver our vision for Wirral in 2020.

### **2.0 OTHER OPTIONS CONSIDERED**

No other options have been considered.

### **3.0 BACKGROUND INFORMATION**

A five year Wirral Plan received unanimous approval at the meeting of full Council on the 13<sup>th</sup> July 2015 and has been adopted by all strategic partners from the public, private and third sectors.

The plan contains twenty pledges to be achieved by 2020 and one of the pledges commits to ensuring 'Technology and Infrastructure' in Wirral is modern, fit for purpose and allows our economy to compete in a digital economy. We also recognise that Digital is a cross-cutting enabler, and is vital to helping us achieve many of the aims and ambitions in the Wirral Plan.

This Strategy helps us get there. It aims to help encourage economic growth; support residents to achieve better outcomes; and improve community involvement, participation and engagement; using digital to transform our approach to public services, to help residents and to support business.

The Strategy has been developed with, and will be delivered by, public and private sector partners and stakeholders to ensure that it achieves a collective Vision for a Digital Wirral. This is a true-partnership Strategy, with all partners in Wirral committing to transforming our approach to digital together, seamlessly, and in a way which puts the needs of Wirral residents and businesses first.

### **4.0 FINANCIAL IMPLICATIONS**

There are no financial implications arising directly from this report. As projects to deliver the strategy are developed the financial implications and benefits will be identified as part of the project plan.

### **5.0 LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report. As projects to deliver the strategy are developed the legal implications will be identified as part of the project plan.

## 6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

The Wirral Digital Strategy will be initially co-ordinated in partnership through existing staff resource. Any additional resource requirements will be identified as a detailed delivery plan is developed.

## 7.0 RELEVANT RISKS

The Corporate Risk Register will be refreshed in line with the new Wirral Plan developments to ensure that any risks to delivery are understood and mitigating actions are put in place as appropriate.

## 8.0 ENGAGEMENT / CONSULTATION

The Wirral Digital Strategy has been developed in collaboration through the Wirral Partnership and will continue to engage and consult with key stakeholders through the delivery and implementation of the Strategy.

## 9.0 EQUALITY IMPLICATIONS

The potential impact has been reviewed with regard to equality and the impact review can be found at:

<http://wbcnet.admin.ad.wirral.gov.uk/governance-equality/equality-impact-assessment>

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## APPENDICES

Appendix 1 – Digital Wirral Strategy

## REFERENCE MATERIAL

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date

# WIRRAL DIGITAL STRATEGY

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CONNECTING PEOPLE,  
BUSINESS AND SERVICES

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## FOREWORD

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### Councillor Matthew Patrick

Cabinet Member for Community Engagement and Communications

#### Our Pledge for Creating a Digital Wirral

“The Wirral Plan 2020 commits to ensuring Technology and Infrastructure in Wirral is modern, fit for purpose and allows our economy to compete in a digital economy”.

We recognise that the world, this country, and Wirral is changing and that in the 21st century people are leading different lives than they did even 5 years ago. Public services must find a way to change with them, to live up to people’s expectations and to meet their changing needs.

We have developed the Digital Wirral Strategy – a first of its kind in our borough – to support that shift, to guide the work of the entire Wirral Partnership over the next five years as we create the kind of modern, personalised set of public services that residents and businesses need.

The word ‘digital’ means different things to different people. To us it means creating a truly connected Wirral, where people, businesses and the entire community are helped to do business, access services and interact with public services and each other digitally and easily.

As austerity measures continue, and funding is reduced across local government and the entire public sector, it is clear that more efficient ways of delivering and accessing services are imperative. Across the country it is estimated that Councils alone could save £14.7bn every year if they made better use of digital technologies such as online platforms and apps.

It is also clear however that creating a truly digital community is about more than just saving money by improving efficiency, it is about making sure residents and businesses in our borough can live their lives and operate in the modern world.

Residents expect to be able to access or request a service from their smart phone. A new business expects to have access to high-speed broadband. Everyone living in, working in, or visiting Wirral expects to be able to connect and interact with each other and with services online. Failing to meet those expectations is failing in our duty as public servants.

We are aiming to create a truly Digital Wirral by 2020, where;

- EVERY resident will have the ability, and the skills, to connect to people, services and the world online.
- EVERY business will be connected to Global markets through high-speed, reliable broadband.
- EVERY service will be available online; in as simple, accessible and seamless format as they are in person.

I encourage you to read this Strategy and to get involved in helping us to create a connected, digital Wirral for everyone.



**Councillor  
Matthew Patrick**

**// We will ensure Technology and Infrastructure in Wirral is modern, fit for purpose and allows our economy to compete in a digital economy //**

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# OUR VISION

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**“Our vision is to create a truly digital borough, where businesses and residents are connected to each other, services and the world. Digital technology is harnessed to create efficient and seamless services for residents, to support businesses to succeed and compete in Global markets and to drive a step-change in community engagement, connectivity and participation”.**

Traditionally, the temptation is to assume that ‘digital’ is an area for the IT Department to handle. This is not how we are approaching this agenda in Wirral. We are well aware we now live in a digital world; digital is a fundamental element of every aspect of our day to day lives; and there are no limits to the ‘art of the possible’ in relation to some of the innovative and creative opportunities that the new technology agenda offers.

Technology has transformed the way we live our lives; socialising, shopping, paying bills and requesting services, people today are accustomed to – and expect – to be connected anytime and anywhere. The vast majority of our residents have access to the internet: doing business online has gone from a technical wonder to a basic expectation in an incredibly short amount of time, and the trend shows no signs of slowing down.

Public services must get ahead of this curve for many different reasons, which we will outline and explore in this strategy. We have set out three core priorities, built around Residents, Business and Public Services, within which we will transform our approach to digital in order to achieve our vision.

### Who is this Strategy for?

This Strategy is for everyone who lives, works or visits Wirral; it is for employers, it is for entrepreneurs, it is for investors and it is for our communities. Digital technology will continue to grow at an exponential rate, our lives are being increasingly led through digital platforms, and we will make sure our residents are not left behind.

### How has this Strategy been developed?

In 1997, Steve Jobs, co-founder of Apple, defined his company's approach to product and service design: "start with the customer experience and work backwards to the technology." Starting with the customer, finding out what they want and need, and designing our approach from there is a fundamental principle which underpins the development of this strategy, and the work of the Wirral Partnership.

The customers' voice is at the heart of this Strategy. The entire Wirral Partnership has come together, bringing their expertise and experience, and the needs of their customers, to design a new approach to developing Digital in Wirral. This is a true-partnership Strategy, with all public services in Wirral committing to transforming our approach to digital together, seamlessly, and in a way which puts the needs of Wirral residents and businesses first. We also recognise Digital is key to helping us to achieve many of the aims and ambitions in our Wirral Plan, for example:

- **Ageing Well** - digital can support older people to live independently in their homes and prevent social isolation and enable more volunteering and mentoring opportunities within our communities; developing online resources to enable residents to find a wide range of information from leisure and learning to statutory health and social care services on care homes, assistive technology and managing long term health conditions.
- **Healthy Lives** - developing online services for information and advice which will also allow people to undertake a self-assessment of their needs; assistive technology, implementing Digital Road Map and Wirral Care Record.
- **Strategic Transport** - opportunities for smart ticketing, remote payment for car parking and online mapping. We will also use our highways as "technology highways" ensuring that they carry the opportunities for new technology when they are constructed and that they provide future proofing to ensure that Wirral stays connected.
- **Leisure & Culture Actions** - opportunities for using technology and social media campaigns to encourage participation in sport and physical activity; calendar of events & activities publicised through a central website; use technology and social media campaigns to encourage resident and visitor participation in arts, culture and heritage.
- **All Age Disability** - disabled people, families & carers want choice and control over how they live, learn, work and play and have the same opportunities as everyone else in their community. Digital plays a key role in this; eg information, advice & universal services; enabling more disabled people to access employment; mapping out and promoting the support that is available to support organisations when employing people with disabilities.
- **Children and Young People** - supporting all children to have the best start in life; vulnerable children reach their full potential; and that all young people develop well and become ready for work and adulthood. Digital plays a key role in this eg learning material for children and teachers; linking young people with IT employment and apprenticeships.

- **Tackling Child Poverty and Improving Life Chances** - enable parents to access local provision; supported signposting which builds self-reliance; developing skills and employability; access to financial and debt advice.
- **Economic Growth** - Partners recognise the key role Digital can play in helping to deliver our Growth Strategy economic ambitions. We will increase Internet access and high speed connectivity so businesses can compete successfully; develop world class digital skills in our young people to support their future employability as well as driving economic growth for Wirral. We will increase digital engagement and skills for all our residents, with targeted support for vulnerable groups, and support for jobseekers to develop their digital confidence and skills. We will explore the opportunities to create a 'smart city' for Wirral, ensuring that our key retail and business areas are fully connected with each other and globally.
- **Community Safety** - digital is enabling greater integration with all relevant partners to achieve a Safer Wirral, so agencies can respond more quickly and more appropriately to areas of need. Eg tackling anti-social behaviour by co-ordinating all intelligence and analysis across Wirral's Community Safety Partnership (CSP) to produce a holistic view of crime and disorder, and to target hotspot locations and vulnerable/repeat victims across Wirral.
- **Love Wirral: Environmental Strategy** - partners are working with communities to gather intelligence on environmental conditions across Wirral to target cleansing resources; to map - and quickly respond to - priority 'grot spots' that affect local environmental quality.

The Wirral Partnership acknowledges, for us to achieve the ambitious outcomes set out in the Wirral Plan, and to achieve our collective aims of integration and collaboration, technology and digital tools are vital.

This point reflects the growing recognition across the country that public services cannot continue to be delivered in the way they are at the moment, there will need to be a "wholesale rethink" about what services can be delivered in the future, and public sector partners have a key role in leading this. In the recent joint position paper published May 2016, the Local Government Association, the Society of Local Authority Chief Executives, the Local CIO Council, and the public sector ICT representative body Socitm, call on senior figures to become role models for the better use of technology<sup>1</sup>.

In order to deliver our vision - whether jobs, improved services or business growth - improving the local digital infrastructure is fundamental.

Government have recently acknowledged this with the announcement in the Queen's Speech on 18th May 2016 of the Digital Economy Bill, which includes plans for a broadband Universal Service Obligation (USO) as a safety net for those residents and businesses with poor connectivity. This aims to ensure all residents have access to 21st century digital connectivity. The obligation for commercial operators to extend coverage across the country means they must work closely in partnership with councils, who maintain the best overview of local areas' digital connectivity needs.

**“ Wirral becomes a truly digital borough, where businesses and residents are connected to each other, services and the world. Digital technology is harnessed to create efficient and seamless services for residents, to support businesses to succeed and compete in Global markets and to drive a step-change in community engagement, connectivity and participation ”**

A photograph of two men in an office setting. One man, older with grey hair and wearing a grey sweater, is seated at a desk and looking at a tablet. The other man, younger with dark hair and wearing a red and white checkered shirt, is leaning over him, also looking at the tablet. The background shows office shelves with binders. The entire image has a blue tint.

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# OUR PRIORITIES

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We know that for us to achieve the vision for this borough set out in the Wirral Plan it requires a fundamental shift in how we do business and how we interact with our people and our businesses. This Strategy has made clear we recognise how technology is changing the world, transforming the way they live their lives; in terms of communication, buying goods and services and doing day to day business.

We also know digital represents a significant opportunity for the Wirral Partnership to harness technology to redesign our services in a way which meets the changing needs and expectations of residents and businesses. This includes opening up new ways of democratic engagement with residents and how local governance can operate efficiently and effectively

Our approach will make sure everyone in Wirral, and doing business with Wirral, is able to quickly and easily access digital technology, and are equipped with the skills they need to live in a digital world.

The priorities this Strategy will work to are:

- **Connected People:** every resident with the ability and the skills to get the most out of technology to improve their lives.
- **Connected Business:** every business benefitting from market-leading technology infrastructure, helping them to open up new markets and compete globally.
- **Connected Services:** every public service joined up, integrated and available online in a way which makes it simple and accessible to get support online.

This is an ambitious digital programme for Wirral. These priorities describe a journey which we will take from now to 2020, the end of which creates a Digital Wirral which achieves the vision articulated in this Strategy, and supports our overall Vision for Wirral.

### Priority 1 - Connected People

**We will enable residents across the borough to use digital technology to improve their lives, providing them with access to devices and the internet as well as developing their digital skills, from children and young people in our schools to our elderly residents.**

Within the next ten years, it is estimated that 90% of us will carry a smart-phone or a tablet. Internet connections such as 4G will continue to get faster and more widely available and people's expectations on getting connected wherever they are, whatever they're doing, are going to continue to rise exponentially.

People have told us they use the internet, they have told us how they use it, and they have told us how they want to communicate and interact with us: it's now our responsibility to respond to this information and work towards a borough where digital is the first, and best, choice for our residents.

From online banking to downloading music to ordering groceries on-the-go, digital tools are increasingly allowing people to conduct everyday tasks how, when and where they like. Increasingly, advanced and assisted technologies present opportunities for residents to have greater choice and control in managing their health or social care, to live independently in their own homes while receiving the care they need.

For people to get the most out of these developments, digital skills and access play a critical role – we know for some groups within the population, and in some of our neighbourhoods, there are significant concentrations of digital exclusion.

Digital Inclusion will be a key priority for us all: if we are going to move towards a more digitally connected Wirral, and we must, then it is vital for us to ensure it is an inclusive Wirral. No resident, no business, must be left behind and everyone in this borough must be equipped with the skills to live in a modern world.

Our digital programme must be built around these needs; it must be built around what our residents have told us is important to them and it must create the environment where getting connected to services, people and the world is simple, intuitive and accessible to all residents, regardless of age or ability.

### What we already know

- In total, 86% of Wirral residents have access to the internet, in-line with the Ipsos Mori Technology tracker (88%). 80% of the Wirral population have access to broadband, with 83% of those having access to Superfast Broadband, an increase of 8% in the past year<sup>2</sup>.
- A larger proportion of Wirral residents access the internet from libraries and public access points when compared to the rest of the UK (13% locally vs 6% nationally)<sup>3</sup>.
- 18.73% of households in Wirral do not receive 4G mobile data from all providers. Low income families may be unable to purchase broadband. Mobile data can be a more affordable and flexible option compared to fixed broadband packages as it can be accessed without installation costs, line rental, or long term contracts. Without access to all providers of 4G mobile data, many customers will not benefit from the same offers or deals that others receive throughout the UK<sup>4</sup>.
- 19.8% of adults in Wirral have never been online<sup>5</sup>. Offline data shows the percentage of people that have never been online or used the Internet directly.
- The majority of residents (58%) do not feel the council keeps them well informed about the services it provides. This is significantly greater than any of the other comparator authorities, where the average is 43%.

### How we will get there

- We will maximise broadband coverage – superfast broadband to residents and promote Wi-Fi in public spaces .
- Increase digital engagement and skills for all our residents.
- Improve access and provision of digital equipment and services, across all of our partners and community facilities to improve connectivity and enable people to access services in more effective ways.
- Increase opportunities for young people, giving them the confidence to start their own businesses or to develop the digital skills that businesses want.

### Priority 2 - Connected Businesses

**We will enable local businesses to improve their skills and internet access, increasing their performance, profitability and ability to invest and grow.**

Business today is not bound by geography, only by ambition. Supporting Wirral's entrepreneurs and employers to grow, to aim higher and succeed, is a fundamental thread running through our Vision for Wirral. A small business in Wirral can just as easily sell to customers in Brazil as they can to customers in Birkenhead.

It is our responsibility to make this process easier, make it more accessible and to create a borough and an economy which is truly digital enabled and able to compete on an even footing within a digital economy. It is our ambition that every Wirral business – regardless of sector or size – is able to use digital technologies to expand their horizons and grow.

Digital technology can absolutely support economic growth, and not just through equipping our businesses and people with the infrastructure and skills to do business and interact online. We can transform our approach to digital and working with local business, we can create information, networking and business opportunities to local companies through online platforms, we can use information data to tailor our business support offer and we can review our processes and systems to make sure we interact with businesses using digital technology in a way which best suits them<sup>6</sup>.

We also want to enable our businesses and places to lead the digital revolution and to remain at the forefront of it for forthcoming generations.

#### What we already know

- The UK economy is focussed on increasing its online and international trade, forecast to reach £60 billion by 2018<sup>7</sup>.
- Exporters have 59% faster productivity growth than non-exporters and 70% of companies find overseas business leads to fresh ideas and innovation.

- 2013 saw £32 billion online retail sales in the UK, of which £4.2 billion was to international customers. 46% (175 million) of Europeans shop online, and 55% (171 million) of Americans shop online.
- Wirral has a vibrant and growing digital and creative businesses sector and some strong and dynamic businesses networks. There are real opportunities to support these to grow and build as part of our wider Economic Growth Strategy.
- The digital and creative sector is a key economic driver contributing significantly to economic output and reinforcing the global brand and position of the Liverpool City Region. With an employment base of some 26,000 people across 3,500 business units the sector has a significant economic presence<sup>8</sup>.

#### How we will get there

- Ensure all businesses have access to superfast broadband and are supported on the specific advantages of digital connectivity and superfast connections.
- Target businesses with a Digital Makeover to identify business opportunities and challenges, and implement digital equipment and processes to improve its systems, increase its effectiveness, and reduce costs.
- Embrace growth in mobile by increasing mobile content, mobile advertising and mobile apps.
- Harness the emergence of social media and digital marketplaces to connect businesses, entrepreneurs and public organisations in new and innovative ways.
- Develop digital entrepreneurship skills with young people to use digital tools to build business or non-profit initiatives, including business planning and learning how to sell ideas.
- Work with Liverpool City Region partners to develop the digital economy in the region.

### Priority 3 - Connected Services

#### **Digital technology will enable Wirral Partners to tackle complex issues and work together seamlessly to deliver the ambitions and outcomes set out within the Wirral Plan.**

People expect services to be available online. People expect the service to be as easy – if not easier – to access online. If the Wirral Partnership is not meeting this expectation then it is not just old fashioned and out-of-step, it is unacceptable: we are in the business of meeting community needs and, in a digital world, ensuring seamless, efficient digital services is among the most important of those needs.

Residents' expectations of public sector services are changing significantly. People are becoming far more accustomed to doing the bulk of activities – from banking to shopping – online. The growth in the use of mobiles to access websites and services offers new opportunities and challenges; the Socitm Better Connected 2015 survey found that the lack of mobile accessibility is a major barrier to accessing local services.

Services in the public sector are about creating relationships between people: accessing support, networking with peers, finding activities, education and childcare. Digital is designed to create that connectivity; the most successful digital products are based entirely on that principle – connecting people across the Globe. We have a responsibility to harness this principle and use it to design a public sector service network that is built on connecting services and people to improve quality of life.

By 2020, a vast number of transactions will take place online. In Wirral, we will make this process easier and more efficient than ever: people will verify their identity once, we will instantly and securely share data across services to improve what we do and the service people receive, two dimensional websites will be replaced by integrative digital platforms to connect people with the support they need to meet any problem, through local services or through thousands of options for support, regionally and across the Globe.

### What we already know

- Residents want to see better co-ordination and collaboration across public services, with 90% of people indicating they would prefer to see a more joined up approach to services;<sup>9</sup>
- Moving just over half of current transactions with customers to effective digital channels would save the Council around £1.5m, which could be further invested in improving the services themselves;
- The majority of complaints received during 2015 were related to perceived lack of online options for accessing services;
- Since 2006, daily computer use and internet access among 55-64 year olds has increased by 31%, and for those aged over 65 it has increased by 28%.

### How we will get there

- Provide transactional services and information online to send information to residents electronically through processes such as e-billing.
- Enable all of our workforces to be more agile, mobile and use the most appropriate technologies to support service delivery.
- Use digital technology to work and collaborate across the partnership seamlessly, including the effective sharing and use of data.
- The development of 'Access Wirral' sets out our collective vision 'to lead in the creation of a vibrant network of individuals, community groups, companies and organisations who provide services and support which enables customers in Wirral to manage their business, through a single point of access.'

**“ Our approach will make sure everyone in Wirral, and doing business with Wirral, is able to quickly and easily access digital technology, and are equipped with the skills they need to live in a digital world. ”**

## ACTION PLANS

### Priority One - Connected People: every resident with the ability and the skills to get the most out of technology to improve their lives

Action	By When	Lead Organisation
Target any gaps in broadband / Wi-Fi coverage within Wirral	2020	to be agreed
Build a digital inclusion programme to co-ordinate opportunities for Wirral residents to access and utilise digital technologies eg community learning; digital champions in libraries/one stop shops	Sept 2016	to be agreed
Map available digital equipment and services across the Wirral Partnership, to increase and combine digital services	From July 2016	Wirral Partnership
Develop programme/activities/training eg coding clubs / digital entrepreneurship skills training to support young people to improve and enhance their digital skills (including coding) to enable them to thrive and compete in a modern digital environment	From Sept 2016	new Partnership group

Indicator	Current Performance	Source
Reduction of residents who state they have never used the internet <sup>1</sup> (Supporting Measure)	11%	UK Digital Exclusion Heatmap
Reduction of people who are offline by 2020 <sup>2</sup> (Supporting Measure)	19.8%	UK Digital Exclusion Heatmap
Successfully deliver Get Online courses (target: individual learners per year to be agreed) (Outcome Indicator)	N/A (new for 2016/17)	to be agreed

<sup>1</sup> Source: see UK Digital Exclusion Heatmap Wirral data  
<https://doteveryone.org.uk/resources/heatmap/#sthash.zHKOMyRQ.dpuf>

<sup>2</sup> As above

**Priority Two - Connected Business: every business benefitting from market-leading technology infrastructure, helping them to open up new markets and compete globally**

Action	By When	Lead Organisation
Ongoing support to businesses to develop digital skills and have an internet presence	from Sept 2016	Wirral Partnership
Implement a programme to identify and target businesses with offer of a Digital Makeover	from Sept 2016	Wirral Partnership
Implement a programme to increase mobile content, mobile advertising and mobile apps within Wirral	Jan 2017	Wirral Partnership
Activity to digitally connect businesses, entrepreneurs and public organisations in new and innovative ways	Jan 2017	Wirral Partnership
Develop a digital approach for Wirral to support the regeneration in the town centre, at Woodside and Wirral Waters	Nov 2016	

Indicator	Current Performance	Source
Increase numbers of businesses and residents able to access Superfast Fibre Broadband <sup>3</sup> (Outcome Indicator)	83%	UK Digital Exclusion Heatmap
Growth in digital and creative businesses sector <sup>4</sup> (Supporting Measure)	23%	Data cited in Liverpool City Region Skills for Growth Agreement - Digital & Creative sector; 2013
Increase in employment base of Wirral's digital and creative sector <sup>5</sup> (Supporting Measure)	to be established	As above
% of small businesses with own website / or promoting goods and services through a website (Supporting Measure)	new measure to be agreed	
Number of businesses taking up offer of a Digital Makeover (Supporting Measure)	N/a new measure	

**3** Source: see UK Digital Exclusion Heatmap Wirral data <https://doteveryone.org.uk/resources/heatmap/#sthash.zHKOMyRQ.dpuf>

**4** SPATIAL DISTRIBUTION BUSINESS UNITS, DIGITAL AND CREATIVE SECTOR; LCR 2013, using Digital and Creative business sector data; UK Commission for Employment & Skills UKCES)

**5** Source: ONS BRES and UK Business Counts - Local Units

**Priority Three - Connected Services: every public service joined up, integrated and available online in a way which makes it simple and accessible to get support online**

Action	By When	Lead Organisation
Implement Access Wirral programme to provide transactional services and information online enabling customers in Wirral to manage their business, through a single point of access	2018	Wirral Council
Further develop partnership approach to enable sharing and use of digital data across the Wirral Partnership	Sept 2016	Wirral Partnership
Develop approach to use technologies to support agile workforce and service delivery	Jan 2017	Wirral Partnership

Indicator	Current Performance	Source
100% of partner organisations utilising social media channels and offering an online presence for customers by 2020 (Supporting Measure)	proxy measure to be agreed	
% of residents who feel that the Council keeps them well informed about the services it provides	42%	Residents Survey

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## **CONCLUSION**

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**The Wirral Partnership is committed to a Digital Wirral: a place where people are connected and where public services are modern, agile and accessible to every resident regardless of their location, age or skills.**

**This Strategy provides the route-map to take us there.**



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## REFERENCES

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- 1** Local Digital Leadership; Socitm, Solace, the LGA, and the Local CIO Council; 24 May 2016  
<https://www.socitm.net/news/17>
- 2** Wirral Resident Survey; IPSOS Mori 2015
- 3** As above
- 4** Internet Access Quarterly Update, Office for National Statistics licensed under the Open Government Licence v.3.0  
<https://doteveryone.org.uk/resources/heatmap/#sthash.zHKOMyRQ.dpuf>
- 5** Internet Access Quarterly Update, Office for National Statistics licensed under the Open Government Licence v.3.0  
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- 6** NESTA, Connected Councils, March 2016
- 7** UKTI; Exporting in the Digital Age; 2015  
<https://www.gov.uk/government/publications/exporting-in-the-digital-age/exporting-in-the-digital-age-helping-uk-companies-to-succeed-globally--2>
- 8** Liverpool City Region Skills for Growth Agreement - Digital & Creative sector; 2013
- 9** Wirral Resident Survey; IPSOS Mori 2015



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To find out more:



**search: Wirral 2020**



**@wirral2020**



**COUNCILLOR GEORGE  
DAVIES**

**CABINET  
18<sup>TH</sup> JULY 2016**

**HOUSING STRATEGY 2016 - 2020**

**Councillor George Davies said:**

“The importance of high quality, affordable homes cannot be underestimated. The impact a good home has on a family is almost immeasurable in terms of health, wellbeing, social mobility and general quality of life.

This Housing Strategy is a key part of delivering our 2020 Vision, setting out our strategic direction to ensure one of our most important pledges to make sure that living in Wirral means living in a good home, is achieved. This is a vital legacy that this generation must pass on to the next. Clearly, building thousands of new homes is a key challenge for us, however it is important to recognise that increasing the numbers of homes built can help kick start our economy, encourage more people to live and work in our borough and transform the lives of our current residents.”

**REPORT SUMMARY**

The Wirral Plan: A 2020 Vision sets out a shared partnership vision to improve outcomes for Wirral residents. Delivery of the priorities and outcomes described in the Plan are underpinned through the development and implementation of a set of key strategies and a Delivery Plan.

This report provides Cabinet with Wirral’s Housing Strategy 2016 - 2020; a key strategic document which articulates the ambition related to the Wirral Plan Environment Priority: *‘Wirral has an attractive and sustainable environment, where good health and an excellent quality of life is enjoyed by everyone who lives here’*

The report recognises the fact that a safe and secure home is vital to all Wirral residents. To respond to this, the Housing Strategy aims to build more homes, improve the quality of Wirral's housing offer and also meet the housing and support needs of our most vulnerable people to enable them to live independently. As a result the strategy affects all Wards within the Borough and therefore this report is considered a key decision.

### **RECOMMENDATION/S**

That Cabinet approves the Housing Strategy 2016 - 2020 set out at Appendix One to this report.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The Housing Strategy 2016 - 2020 details how the ambitions and outcomes set out within the Environment priority of the Wirral Plan: A 2020 Vision will be driven forward and achieved.
- 1.2 The strategy has been informed and developed as a result of key research, analysis and ongoing consultation and discussion with key partners and stakeholders to ‘reality check’ our priorities and the approach we need to take to move forward. It provides the clear framework for focusing our direction of travel ensuring collectively with our partners, we have the flexibility to respond to new and emerging issues as they arise, which impact directly on the borough as a whole.

### **2.0 OTHER OPTIONS CONSIDERED**

No other options have been considered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 A five year Wirral Plan received approval at the meeting of full Council on 13th July 2015 and has been adopted by all strategic partners from the public, private and third sectors. The plan contains twenty pledges to be achieved by 2020; and in particular under the Environment theme the pledge for housing commits:

*A safe and secure home is vital to all Wirral residents. We are working to improve the quality and supply of Wirral's housing stock, providing more affordable homes and specialist housing solutions, including extra care homes and supported living accommodation.*

- 3.2 The Housing Strategy 2016 – 2020 sets out the authority’s long term strategic direction for Wirral, aligning with the Wirral Plan and its key priorities and responding to updated and new evidence, has reinvigorated and consolidated its key themes to drive forward change, specifically over the next five years focusing on:
- Building more homes to meet our economic growth ambitions
  - Improving the quality of Wirral’s housing offer for our residents
  - Meeting the housing and support needs of our most vulnerable people to enable them to live independently.
- 3.3 The actions supporting the strategy will be regularly reviewed and performance reported through appropriate governance arrangements.

### **4.0 FINANCIAL IMPLICATIONS**

4.1 The Housing Strategy provides the context and approach to meet housing demand in Wirral. An increase in the numbers and types of housing will deliver increased Council Tax income whilst Extra Care Housing development provides additional financial benefits.

## **5.0 LEGAL IMPLICATIONS**

5.1 There are no legal implications arising directly from this report. As projects to deliver the strategy are developed the legal implications will be identified as part of the Action Plan.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

6.1 The Housing Strategy 2016 - 2020 will be co-ordinated in partnership through existing staff resources. Any additional resource requirements will be identified as the Action Plan continues to be reviewed and developed further.

## **7.0 RELEVANT RISKS**

7.1 The Corporate Risk Register will be refreshed in line with the new Wirral Plan developments to ensure that any risks to delivery are understood and mitigating actions are put in place as appropriate.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 The Housing Strategy 2016 - 2020 has been underpinned by the major stakeholder consultation undertaken as part of the development of the original long term Housing Strategy in 2011.

8.2 In addition, a range of consultation exercises with key stakeholders and partners have continued to take place since that time, along with new research, analysis and ongoing reviews of the extensive evidence base in place. All of this has informed the final draft of the strategy.

## **9.0 EQUALITY IMPLICATIONS**

9.1 The potential impact has been reviewed with regard to equality and the impact assessment can be found at:

<http://www.wirral.gov.uk/>

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## **APPENDICES**

**Appendix One – Housing Strategy 2016 - 2020**

**REFERENCE MATERIAL**

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
None	

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THE WIRRAL PLAN: A 2020 VISION

# **WIRRAL'S HOUSING STRATEGY**

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**Wirral Council**  
**July 2016**

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## 1.0 FOREWORD

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### **Councillor George Davies -** Cabinet Member – Housing and Community Safety

We are committed to driving growth in our economy: creating jobs, attracting new businesses and making sure that existing employers within the borough have every opportunity to expand and succeed.

Ensuring Wirral has a fantastic range of housing, at the right quality, is a fundamental factor in ensuring our plans for growth are successful. We must and will be ambitious, for our residents now and the Wirral of the future.

Through the work described in this Strategy I am confident and proud to announce we will build at least 3,500 new homes by 2020.

The importance of high quality, affordable homes cannot be underestimated. Our homes provide us with a safe and secure environment from which our communities grow and people build their confidence. It is clear that the impact a good home has on a family is almost immeasurable; in terms of health, wellbeing, social mobility and general quality of life.

Making sure living in Wirral means living in a good home is one of our most important pledges but more than that, it is a vital legacy this generation must pass on to the next. Building thousands of new homes is a key challenge for us: reversing a trend of under-building can help kick start our economy, encourage more people to live and work in our borough and transform the lives of our residents.

We have made commitments about how many houses we will build and how many houses we will improve. We will keep those promises, and we will go further; focussing on homebuilding as a key aspect of our strategy to grow our local economy and create jobs.

This Housing Strategy provides the blueprint for how we will succeed, alongside ensuring existing stock is improved where conditions fall below the required minimum standard and the most vulnerable people are protected.

We know our financial situation is challenging, and in times of continued austerity we must focus our attention and resources on those issues that bring the biggest impact on residents' lives. We must focus on what matters most to local people, on what brings the biggest improvements to their health, to their wellbeing and to their quality of life.

Housing is too complex an issue to be addressed by a single organisation. I thank all of our partners who have played such a key role in developing this innovative Strategy to transform our housing landscape. If we work together to deliver the ambitions of this strategy then we will also achieve many other Wirral Plan pledges: more people will live in Wirral, more businesses will move and thrive here, homes will be safer, people will be healthier and our borough will be more attractive.

It is clear to me that we have no bigger priority for the next five years: we must achieve substantive, transformational improvement in the level and quality of housing in Wirral.

The scale of the positive impact, on this generation and the next, means nothing else is acceptable.



A handwritten signature in white ink that reads "George Davies". The signature is fluid and cursive.

**Councillor George Davies**

**The importance of high quality, affordable homes cannot be underestimated. Our homes provide us with a safe and secure environment from which our communities grow and people build their confidence.**

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## 2.0 INTRODUCTION

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The Wirral Plan 2020 sets out a commitment to work together over the next five years and beyond to achieve the 20 Pledges. Our Wirral Plan pledge states:

### **Good quality housing which meets the needs of residents:**

**A safe and secure home is vital to all Wirral residents. We are working to improve the quality and supply of Wirral's housing stock, providing more affordable homes and specialist housing solutions, including extra care homes and supported living accommodation.**

Access to good quality housing is a foundation upon which people can build happy and successful lives, and a crucial component of strong and sustainable communities. It is important that our residents are able to find the right home in the right place so they and their families are able to live their lives to the full and achieve their potential.

More than 320,000 people live in Wirral, in more than 140,000 households. Ours is a borough of sharp contrasts; with many affluent and attractive residential areas alongside areas of high deprivation, particularly in specific areas of the borough.

It is our job to close this gap and work towards making sure residents in every one of Wirral's communities are able to live in a good, safe and attractive home.

This Housing Strategy sets out our long term strategic housing direction for Wirral. It sets out how we will work in partnership to deliver the ambitions of the Wirral Plan and our housing priorities.

We will work with a wide range of partners and stakeholders to improve the quality, quantity and access to housing, and deliver on what matters to local people, to ensure Wirral is a great place to live, work and invest.

## Our housing priorities over the next five years:

This strategy has been developed based on ongoing consultation and discussion with key partners and stakeholders; helping us to identify key areas of focus which will deliver major housing improvements in Wirral.

We have carried out detailed research and analysed key statistics and data from a range of sources to identify new and emerging issues, and ensure our priorities for housing in Wirral are supported by a strong evidence base. Consultation has also taken place with registered housing providers, the Homes and Communities Agency and private developers to inform the priorities within this strategy.

The priorities to be achieved through this strategy and associated plans are:

- **Building more homes to meet our economic growth ambitions.**
- **Improving the quality of housing available to our residents.**
- **Meeting the housing and support needs of our most vulnerable people to enable them to live independently.**

Key to delivering our housing strategy will be its alignment with both the borough's planning framework, which will set out an overall housing requirement for Wirral; and Wirral's Growth Plan which recognises the borough has a significant number of opportunities for growth which we need to build and capitalise on to transform Wirral's economy in the future.

To deliver the priorities outlined above we are committed to working in partnership to achieve our ambitions and ensure Wirral's housing offer provides good quality housing that meets the needs of our residents.

### **Snap shot of housing in Wirral**

Building more houses to meet our economic growth ambitions.

- Wirral's population is expected to increase by 2.6 % by 2037.
- Wirral has seen the second largest (7%) increase in GVA nationally.
- Housing sales have increased by 40% in Wirral since 2013/14.
- Almost 2,000 homes have been built in Wirral since 2010, of which more than 1,100 were affordable.

### **Improving the quality of housing available to our residents**

- 1 in 3 homes fail to meet decent homes standard.
- 16% of households in Wirral experience difficulty in heating their homes.
- Almost 1,200 empty properties were brought back into use since 2010.
- Since 2015, 1,100 private sector homes have been licensed through our selective licensing scheme.

### **Meeting the housing and support needs of our most vulnerable people to enable them to live independently**

- We have helped over 3,500 people access a home with 70% of those applicants assessed as having a priority housing need.
- Since 2010, we have worked in partnership to prevent over 2,800 families and individuals from becoming homeless.
- 200 extra care units currently in Wirral with demand for more.

A photograph of a construction site with three workers. One worker in a red hard hat and high-visibility vest points towards the camera. Another worker in a white hard hat and red jacket holds a rolled-up document. A third worker in a blue hard hat and high-visibility vest is measuring a wall. The background shows a building under construction with grey concrete blocks and a brick chimney.

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# 3.0 BUILDING MORE HOMES TO MEET OUR ECONOMIC GROWTH AMBITIONS

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**To meet our ambitions to grow the local economy and create more businesses and jobs in Wirral, we know we will need to build significantly more homes over the next five years than have been built over the last decade.**

We are ambitious about growing our local economy, and have plans in place to make those ambitions a reality. Our vision over the next five years is for sustainable, accelerated growth based on a more connected Wirral; creating a place where all residents are able to enjoy a good quality of life in a high-quality borough.

Wirral is a location that is made for business. It is at the heart of the UK, close to Liverpool, Cheshire, North Wales and Greater Manchester and is an international gateway that's full of opportunity. It is clear that few places can match Wirral's connectivity for businesses.

We are perfectly positioned to become the most desirable postcode in the developing Northern Powerhouse. To meet our ambitions, we need to ensure investors and developers are aware of what Wirral has to offer, and we need to regularly work with them to help attract new residents and businesses to Wirral.

There is an intrinsic link between better housing and economic growth, and we know for every home we build, more jobs will be generated. The quality of the borough's housing offer is therefore critical to realising our growth ambition and delivering our investment priorities.

Housing also plays an essential role in the physical regeneration of an area, defining local places and helping us to make the most of Wirral's offer as a place to work, live and enjoy.

We have submitted a Housing Zone application and if we are successful we will be able to access government investment and support to accelerate house building. A strategic housing market assessment has been finalised which sets out the number of homes that will be needed over the next 15 years and beyond, and a review has been completed to identify available land and sites for new housing development in order to meet the borough's future housing needs.

We now need to actively market Wirral for housing development, and where appropriate, review and strengthen both our policies and delivery arrangements to encourage and enable housing growth in the borough. We will work with housing developers and investors to realise our ambitions, and where the housing market needs additional support to build new homes, then we will take action to proactively intervene and put in place measures to accelerate growth in the market. We will create a dedicated team to make this happen and provide the necessary leadership, expertise and investment to deliver the thousands of homes that we want to see built in the borough over the next five years and beyond.

We have already established the One Public Sector Estate Board through the Wirral Partnership to effectively manage public sector assets across the borough. This will also provide significant opportunities to ensure these assets are aligned to our economic and housing growth plans.

We want to ensure housing in Wirral is affordable for households in the owner-occupied, social and private rented sectors and will therefore explore housing development opportunities for a range of different housing tenures and requirements, including affordable and starter homes.

Wirral plays an important role in the Liverpool City Region, which is fundamental to the borough's economic growth and housing plans. As many as four in ten of our residents work in the Liverpool City Region or Chester, so ensuring our approach to housing and development is appropriate for both the borough and the wider region is vital.

As part of the recent Devolution Agreement, the Liverpool City Region will have greater flexibilities, allowing strategic planning powers to be used to help speed up economic growth, housing development and deliver the ambitions set out within this strategy.

The delivery of this Housing Strategy will therefore need to be flexible enough to respond to the opportunities and challenges which are likely to arise from the Growth Plan, the outcome of the Wirral and Liverpool City Region Strategic Housing Market Assessments and the future development of Wirral's planning framework.

### **What do we already know?**

- By 2037, Wirral's population is estimated to increase by 2.6% with the number of households forecast to increase by 9.34%.<sup>i</sup>
- There is a shortage of identified housing sites in Wirral which will need to be addressed to meet our housing growth requirements.<sup>ii</sup>
- In 2014/15, 322 affordable homes were delivered in Wirral, 7.3% above our target.<sup>iii</sup>

### **How are we going to get there?**

- We will deliver at least 3,500 new homes, including 1,000 new homes at Wirral Waters by 2020.
- We will actively review the availability of land for housing development, and work collectively to unlock potential sites to build new homes.
- We will establish a dedicated housing growth team including housing, planning, economic development and asset management expertise to deliver our housing growth plans. This will provide the opportunity to set up a separate Housing Company in the future to proactively market and manage housing development opportunities in Wirral.
- We will establish a Housing Growth Board to oversee and govern the delivery of our housing growth ambitions and will work to ensure these are fully aligned to our broader economic growth plans.

- We will actively market Wirral for housing growth, and engage with housing developers, investors and other key stakeholders to develop packages of support to assist in the delivery of new homes.
- We will work as part of the Liverpool City Region Combined Authority Devolution Agreement to commission a joint housing and employment land study, and develop a Single Statutory City Region Framework supporting the delivery of strategic housing and employment sites.
- We will establish a single approach to strategically manage our public sector assets across Wirral through our One Public Sector Estate Board.

### **How will we measure if we're getting this right?**

- 3,500 new homes will be built by 2020.
- 300 new extra care units will be developed by 2020.

**There is an intrinsic link between better housing and economic growth, and we know for every home we build, more jobs will be generated. The quality of the borough's housing offer is therefore critical to realising our growth ambition and delivering our investment priorities**

A woman with curly hair, wearing safety glasses and a high-visibility yellow vest over a grey shirt, is kneeling on a wooden floor. She is focused on working on a white radiator, using a pair of yellow-handled pliers. A blue heat gun is placed on the floor next to her. The background shows a window with a yellow measuring tape on the sill. The entire image has a blue tint.

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# 4.0 IMPROVING THE QUALITY OF WIRRAL'S HOUSING OFFER FOR OUR RESIDENTS

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**A good quality home provides comfort and security for people regardless of their health, disability or age. It provides a solid foundation for residents to lead fulfilling and independent lives to earn a good living, raise a family and be an active participant in their local community.**

Well maintained homes are an essential part of creating attractive and desirable neighbourhoods where people choose to live. Our ambition is to improve housing standards across Wirral, focussing on those areas most in need.

There is a clear link between the quality of a person's living conditions and their social, emotional and economic wellbeing. A key priority for this strategy will be to support residents who experience unacceptable living conditions, such as substandard housing and fuel poverty meaning they cannot afford to heat their homes. We will work to reduce the number of serious health conditions which are linked to living in cold homes across the borough.

Significant improvements have been made to the borough's social housing, however there is still further work to be done and we will ensure improvements continue, particularly for those homes which are hard to let or where there is no longer a demand from particular groups.

We are clear the responsibility for maintaining private housing standards rests first and foremost with the homeowner; however the Council and its partners have a key role to support our most vulnerable residents where serious hazards have been identified in the home that affect an individual's health and wellbeing. We have seen a positive impact following the introduction of our selective licensing scheme to improve housing standards in private rented accommodation, and we will continue to support all residents particularly those who are vulnerable, to ensure they are not living in an unsafe, cold or damp home.

**What do we already know?**

- Almost 1 in 4 private properties (23%) fails the decent homes standard with this figure significantly worse (32%) in the private rented sector.<sup>iv</sup>

- Wirral has over 4,400 private empty homes (short and long term).<sup>v</sup>
- 16% of households in Wirral experience difficulty in heating their home, with 7.1% of households only able to heat some or one room in winter.<sup>vi</sup>
- It is estimated that 22 excess winter deaths in Wirral each year could be attributed to fuel poverty.<sup>vii</sup>

**How are we going to get there?**

- We will work with landlords, residents and tenants to improve housing conditions, and where this fails we will take enforcement action or target financial assistance to the most vulnerable households to enable residents to remain in their homes.
- We will work to promote energy efficiency improvements in the poorest housing stock and facilitate initiatives which enable people to stay safe and warm in their homes and reduce fuel poverty.
- We will work with social housing providers to make the best use of stock, meet local housing need and attract people in employment, from within and outside the Borough, who need accommodation.
- We will work with our partners to target empty property interventions and bring long term empty properties back into use, improve neighbourhoods and the housing offer in Wirral.
- We will continue to implement our selective licensing scheme to improve housing standards in private rented accommodation.

**How will we measure if we're getting this right?**

- 2,250 private sector homes are improved by 2020.
- 1,250 empty homes are brought back into use by 2020.
- 1,200 homes requiring mandatory or additional licenses will be inspected by 2020.



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# **5.0 MEETING THE HOUSING AND SUPPORT NEEDS OF OUR MOST VULNERABLE PEOPLE TO ENABLE THEM TO LIVE INDEPENDENTLY**

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**We are determined to build strong and sustainable communities for all residents, ensuring we meet the housing and support needs of vulnerable people. We will ensure vulnerable people are able to live independently, and are provided with specialist support as and when they need it.**

We want every resident to be able to make a valuable contribution to their communities. It is therefore vital vulnerable people are supported to live independently and empowered to play an active part in society through having the right choice and availability of housing.

We know the number of older people living in Wirral is increasing and we need to explore specialist housing provision to meet their expectations and extra demand. We know some residents in the borough want and would benefit from extra care housing, and will meet this need through developing new schemes across Wirral.

Early intervention and support for vulnerable people (e.g. older people, people who are homeless, those who have physical and learning difficulties, families who are in crisis and children who are looked after by the local authority), to improve their housing, can have a positive impact on a person's life and independence, helping them to succeed. This consequently can reduce the requirement for more substantial, specialist services such as residential care or hospital treatment.

The needs of homeless people are becoming increasingly complex, with high incidences of unresolved mental health problems, alcohol and substance misuse, anti-social and offending behaviour. We will continue to support our homeless residents to address these challenges in order that they can access both temporary homeless services and future accommodation.

We know welfare reform changes are impacting on many groups including disabled people, lone parents, families and young people. We will continue to review the impact of welfare reform on our residents and consider packages of support required.

**What do we already know?**

- By 2037, residents aged over 65 years are projected to make up 42% of all households and there is likely to be an increase in the number of households containing a resident with a disability to 67% by 2037. <sup>viii</sup>
- Over 4,000 older people in Wirral receive sheltered housing services. <sup>ix</sup>
- In 2015/16, an average of 335 households were prevented from becoming homeless every three months, through either assisting residents to remain in their own homes, or assisting them to access alternative accommodation. <sup>x</sup>
- Between 2013 and 2015, over 6000 households sought housing advice and assistance. In 30% of these cases, the potential loss of accommodation was as a direct consequence of affordability issues linked to welfare reforms. <sup>xi</sup>
- Between 2013/14 and 2015/16, the adaptations service saw an increase of 56.1% in the number of applications for people requiring minor works, to enable them to leave hospital and other social care settings and to also avoid admission to hospital. <sup>xii</sup>
- Over 2,000 home adaptations are completed each year to enable disabled people to remain in their own homes. <sup>xiii</sup>

**How are we going to get there?**

- We will complete a review of housing support services for older people to develop new models of delivering accommodation and support, including new extra care housing schemes and sheltered accommodation.
- We will complete a strategic review of all supported accommodation services for people experiencing social exclusion, to identify whether the current supported housing services offer meets the diverse needs of the Borough.

- We will continue to monitor and respond to the impacts of welfare reforms on vulnerable households; in particular we will examine the consequences of welfare reforms on Wirral's younger population so we can work in partnership to mitigate the impact.
- We will work to meet the multiple and complex needs of vulnerable homeless people and commission new support services to engage those who use our services.
- We will work to ensure housing is accessible through adaptations and other mechanisms to support residents' needs and keep them in their homes where possible.

**How will we measure if we're getting this right?**

- An increase in the number of people over 50 living in appropriate housing, that meets their needs (2015 Wirral Residents Survey).
- 300 new extra care housing units to be completed by 2020.
- 2,000 home adaptations to be delivered each year.
- Complete 2,000 Disabled Facilities Grants assessment each year.
- Each year, 5,500 vulnerable residents will be supported in their accommodation to maintain their independence.
- Reduce homelessness through prevention.

**We will ensure vulnerable people are able to live independently, and are provided with specialist support as and when they need it.**

## 6.0 ACTION PLAN

Action	By When	Organisation
<b>6.1 Building more homes in Wirral to meet our economic growth ambitions</b>		
Finalise Wirral's new Strategic Housing Market Assessment.	July 2016	Wirral Council
Approval of Core Strategy Local Plan including affordable housing policy approach.	March 2017	Wirral Council
Work with partners to facilitate solutions to ensure the delivery of new affordable homes in the Borough.	March 2020	Wirral Council, Strategic Housing Partnership
Identify opportunities to unlock sites and identify resources required to kick-start both stalled and new housing sites in the Borough.	March 2017	Wirral Council
Support stalled sites and marginal housing schemes through the Council's Phase 1 Affordable Housing Programme.	March 2018	Wirral Council
Identify pipe-line housing sites to support the delivery of new homes in the Borough including potential use of Public Sector owned assets.	March 2017	Wirral's One Public Sector Estate Board
Work with private sector partners to ensure our housing growth plan reflects market demand.	March 2020	Wirral Council
Identify wider strategic and financial support in the delivery of new homes.	March 2020	Homes and Communities Agency
Complete Liverpool City Region Strategic Housing & Employment Market Assessment.	December 2016	Liverpool City Region Authorities
Undertake a feasibility review of the opportunity to develop a local housing company at either a Liverpool City Region or local authority level.	March 2017	Liverpool City Region Authorities
Establish a City Region Land Commission to support the better co-ordination and release of public assets with the aim of increasing sites for economic growth, housing and improved communities.	March 2020	Liverpool City Region Authorities
Develop a housing marketing plan as part of wider Liverpool City Region housing offer and Economic Growth Strategy.	March 2017	Liverpool City Region Authorities
Develop Wirral's Marketing and Communication strategy to promote the Borough housing offer alongside Wirral's Growth Plan.	August 2016	Wirral Council
Identify required resources to deliver housing growth in Wirral	October 2016	Wirral Council

Action	By When	Organisation
<b>6.2 Improving the quality of Wirral's housing offer for our residents</b>		
Develop targeted campaigns to address poor quality housing and fuel poverty through advice and assistance.	March 2020	Wirral Partnership
Deliver solid wall insulation programme in Selective Licensing areas.	March 2017	Wessex EAC
Deliver awareness raising programme of fuel poverty alleviation assistance and energy efficiency in Wirral.	March 2018	Energy Projects Plus
Maximise funding opportunities to facilitate initiatives which enable people to stay safe and warm in their homes.	March 2020	Wirral Council
Inspect all homes requiring mandatory or additional licensing for compliance.	March 2020	Wirral Council
Reduce the number of homes with a Category 1 or Category 2 Hazard under the Housing Health and Safety Rating System.	March 2020	Wirral Council
Refresh Wirral's empty homes delivery plan.	March 2017	Wirral Council
Undertake a survey to identify barriers preventing long term empty properties being brought back into use and what incentives would encourage owners of empty properties to bring them back into use.	September 2016	Wirral Council

Action	By When	Organisation
<b>6.3 Meeting the housing and support needs of our most vulnerable people to enable them to live independently</b>		
Review the adaptations programme to focus on health and social care priorities, including preventing hospital admissions and supporting hospital discharge	October 2016	Wirral Council
Explore opportunities to introduce smart home technology to support independent living	March 2017	Merseyside Fire & Rescue Services / Wirral Council
Complete a strategic review of supported Housing Services for homelessness and socially excluded groups	September 2016	Wirral Council
Develop and finalise a Housing Support Commissioning plan	October 2016	Wirral Council
Develop a Young Persons Housing Plan to address the housing requirements of this client profile	October 2016	Young Persons Strategic Housing Group
Increase the availability of accessible homes requiring adaptations by assessing 2,000 Disabled Facilities Grants per annum	March 2020	Wirral Council
Review the process route for people with disabilities and mobility problems who require access to re-housing	March 2017	Wirral Council
Establish a Learning Disabilities Housing Steering Group to ensure the current and future housing needs of people with Learning Disabilities are addressed	September 2016	Wirral Council
Establish an Older Person Housing Steering Group to ensure the current and future housing needs of people with Older People are addressed	September 2016	Wirral Council
Develop Supported Housing Strategy for all vulnerable client groups	March 2018	Wirral Council
Work with Private Rented Sector to enable opportunities to access suitable tenancies to discharge homelessness statutory duty e.g. agree minimum twelve month tenancy	March 2017	Wirral Council

Action	By When	Organisation
Commence homelessness review to inform the development of the 2018-2023 Homelessness Strategy	August 2017	Wirral Council
Deliver the Liverpool City Region Asylum Seeker Dispersal programme	March 2017	SERCO
Co-ordinate Wirral contribution to the Liverpool City Region response to Syrian Person Resettlement Programme	January 2017	Liverpool City Region Asylum & Syrian Refugee Lead Officers Group
Work with all partners to monitor the range and cumulative impact of welfare reforms, co-ordinate an impact assessment and develop effective responses	Ongoing from June 2016	Wirral Strategic Welfare Reform Working Group
Work with Registered Providers and private companies to deliver 300 additional Extra care homes	March 2018	Wirral Council
Undertake procurement framework and appoint delivery partners for Extra Care provision in Wirral	October 2016	Wirral Council
Complete strategic review of sheltered housing services for older people and agree scheme proposals	March 2017	Wirral Council

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## 7.0 CONCLUSION

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**The provision of good quality homes which meet the needs of Wirral's existing and future residents is vital in providing people with a safe and secure environment in which to thrive. Wirral Council will work with partners to continue to collectively identify how new and existing initiatives should be maximised, focussing resources and ensuring initiatives are targeted to achieve our outcomes.**

To support this process, this strategy has been developed based on a robust evidence base which will be continually reviewed and updated and as a result will clearly focus our three overarching priorities throughout the life of the strategy, ensuring they remain responsive to the changing housing environment.

We have set out our approach to working with a range of partners to respond to these priorities and ultimately meet our Wirral Plan pledge of 'good quality housing that meets the needs of residents'.

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## 8.0 REFERENCES

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- <sup>i</sup>Office for National Statistics (2015): 2012-based Household Projections: England 2012-2037;. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>
- <sup>ii</sup>Wirral Annual Monitoring Report, 2015
- <sup>iii</sup>Affordable Housing Performance Indicator, final for 2015/16, April 2016
- <sup>iv</sup>Wirral Council and David Adamson & Partners, Wirral Private Sector House Condition Survey 2013
- <sup>v</sup>Wirral Council, Council Tax Records, 1st April 2016
- <sup>vi</sup>Wirral Council and David Adamson & Partners, Wirral Private Sector House Condition Survey 2013
- <sup>vii</sup>Department of Energy & Climate Change (2012): Getting the Measure of Fuel Poverty; (<http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/excesswintermortalityinenglandandwalesreferencetables>).
- <sup>viii</sup>Office for National Statistics (2015): 2012-based Household Projections: England 2012-2037;. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>
- <sup>ix</sup>Wirral Council Supported Housing Services
- <sup>x</sup>Department of Communities & Local Government (2015): Homelessness Statistics; <https://www.gov.uk/government/collections/homelessness-statistics>
- <sup>xi</sup>Department of Communities & Local Government (2015): Homelessness Statistics; <https://www.gov.uk/government/collections/homelessness-statistics>
- <sup>xii</sup>Wirral Council Supported Housing Services
- <sup>xiii</sup>Wirral Council Supported Housing Services

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**COUNCILLOR PHIL DAVIES**

**CABINET**

**Monday 18 July 2016**

**CORE STRATEGY LOCAL PLAN -  
STRATEGIC HOUSING MARKET  
ASSESSMENT UPDATE**

**Councillor Phil Davies, Leader of Wirral Council, said:**

**“Wirral – like every other area in the UK – is required to submit its Core Strategy Local Plan to Government next year. This Plan must include a detailed assessment of the Borough, including its housing market.**

**“This report provides Cabinet with the outcome of an initial assessment. It sets out the findings of an independent study into the demographic and economic changes expected in Wirral and how that impacts the Borough’s housing needs. It also summarises the requirements of national policy.”**

**REPORT SUMMARY**

Wirral’s Housing Strategy, reported elsewhere on this agenda, sets out the vision for housing in the future and this report begins a consultation based on the objectively assessed housing need (OAN) as to how this can be delivered.

This report sets out the findings of a study into the need for new housing in Wirral and its implications for the future land supply to be identified in the Council’s emerging Core Strategy Local Plan. It summarises the requirements of national policy and sets out the alternative options that are available to the Council.

The report recommends that the Council accepts the assessment of objectively assessed need (OAN) identified in the Strategic Housing Market Assessment (SHMA) and consults on the need to make further changes to the Proposed Submission Draft Core Strategy Local Plan, to accommodate the need for additional housing.

The recommendations would support the delivery of Wirral Plan 2020 pledges relating to the promotion of economic growth and good quality housing that meets the needs of

residents and would support the delivery of the Wirral Partnership Housing Strategy, which is also included on the agenda.

The report is a key decision, because of its impact on a wide range of communities living or working in the Borough.

The more detailed findings of the SHMA, related to the needs of particular groups, will be the subject of a further report.

## **RECOMMENDATIONS**

- (1) That the objectively assessed need (OAN) identified in the Strategic Housing Market Assessment (SHMA) prepared by Nathaniel Lichfield and Partners (NLP) and the assessment of the Borough's land supply set out in the Council's Strategic Housing Land Availability Assessment (SHLAA) April 2016 are approved as part of the evidence base for the emerging Core Strategy Local Plan, subject to any further revisions that may be required in response to the emerging Devolution Deal Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA).
- (2) That the Council publishes the SHMA and SHLAA on the Council's website and in public libraries for public consultation.
- (3) That the results of consultation are reported to Cabinet before the Draft Core Strategy Local Plan is submitted for the approval of Council for submission to the Secretary of State.
- (4) That a further separate report is prepared on the more detailed findings of the SHMA, including the provision of affordable and specialist housing.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 To approve the use of the objectively assessed housing need identified in the Strategic Housing Market Assessment Update prepared by NLP in determining the future requirement for housing in Wirral to 2032.
- 1.2 To comply with the legal and procedural requirements necessary to complete the preparation and adoption of an up-to-date Core Strategy Local Plan for Wirral, in line with the National Planning Policy Framework (NPPF).

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The preparation of an up-to-date Strategic Housing Market Assessment is a requirement of national policy, to inform the preparation of the Council's statutory Local Plan for the area.
- 2.2 Not preparing an up-to-date Local Plan would mean that the Council would have to continue to rely on the Unitary Development Plan adopted in February 2000.
- 2.3 The national presumption in favour of development would be held to apply where the development plan is absent, silent or relevant policies are out-of-date (NPPF paragraph 14). In the absence of an up-to-date Local Plan, decisions on planning applications will have to be made in the context of the National Planning Policy Framework, with policies in the Unitary Development Plan only carrying weight according to their consistency with the Framework.
- 2.4 Not preparing an up-to-date Local Plan may also incur financial penalties and the intervention of the Secretary of State.
- 2.5 Alternative housing and employment scenarios have been assessed as part of the Strategic Housing Market Assessment prepared by NLP and will be subject to consultation in line with the recommendations of this report.
- 2.6 Alternative land supply options have been assessed as part of the Council's Strategic Housing Land Availability Assessment Update 2016, which will also be subject to consultation in line with the recommendations of this report

### **3.0 BACKGROUND INFORMATION**

- 3.1 The relevant Background Information is set out in Appendix 1 to this report

### **4.0 NEXT STEPS**

- 4.1 The Council will now need to consult on the findings of the SHMA and on the future housing requirement for the Borough; verify the assessment of the future land supply set out in the SHLAA; and consult on the wider changes that may now be necessary to the Core Strategy Local Plan.

- 4.2 Assuming that the necessary consultation can be completed by the end of September 2016, it is expected that a report of consultation could be presented to Cabinet, towards the end of the year.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The Strategic Housing Market Assessment was commissioned from NLP for £47,020, from an original estimated budget of £60,000, funded from the Council's Housing Strategy budget. The contract was extended by £500, to extend the analysis to include an additional scenario related to the economic forecasts produced by Oxford Economics for the LEP; by a further £500, to purchase the more up-to-date Experian projections in December 2015; and by £8,000, funded from the Council's Forward Planning budget, to take account of the latest 2012-based household projections published in February 2014 and December 2015, under Contract Procedure Rule E111.
- 5.2 Additional house-building could support the delivery of the Council's Medium Term Financial Strategy and could support an increase in income through New Homes Bonus and Council Tax.

## **6.0 LEGAL IMPLICATIONS**

- 6.1 The Local Plan must be prepared in line with the process set out in national legislation and can only be adopted by the Council if it is found to be legally compliant and sound by a Planning Inspector appointed by the Secretary of State.
- 6.2 To be sound, a local plan must be: positively prepared, to meet objectively assessed development and infrastructure requirements; justified, in terms of being the most appropriate strategy when considered against the reasonable alternatives; effective, in terms of being deliverable and based on effective joint working on cross-boundary strategic priorities; and be consistent with national policy, by delivering sustainable development in line with the National Planning Policy Framework (NPPF, paragraph 182).
- 6.3 To be legally compliant, the local plan must be prepared to fully comply with national legislation and regulations.
- 6.4 The Council will not be able to submit a Core Strategy Local Plan to public examination without basing its housing requirement on up-to-date evidence of objectively assessed need based on the requirements of national policy or without being able to demonstrate a credible five-year supply and the broad locations for future supply over the rest of the plan period to 2032.
- 6.5 The Council has a legal Duty to Co-operate with named public bodies including adjoining local authorities and national agencies, under the Localism Act 2011. A failure to comply with the Duty to Co-operate can be fatal to the legal compliance of the Local Plan and could require the Core Strategy to be withdrawn.
- 6.6 The Council must also comply with its own statutory Statement of Community Involvement, last adopted in March 2014.

6.7 The approval of the final Draft Core Strategy Local Plan will require a resolution of Council before it can be published and submitted to the Secretary of State for public examination.

## **7.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

7.1 The Council's Core Strategy Local Plan is prepared by the Council's Forward Planning Service, supported by other teams responsible for housing, regeneration, transport, economic development and public service delivery.

7.2 The engagement and consultation set out in section 9 of this report is expected to cost up to £5,000, which will be funded from existing resources within Regeneration and Planning.

7.3 New housing development currently attracts New Homes Bonus at a rate linked to the Council Tax banding of each new dwelling constructed or empty property brought back into use plus a £350 premium for every new affordable dwelling provided.

7.4 New housing will also have implications for other Council services, including transport, education, social services and the Wirral Growth Plan, which are still to be determined through consultation.

7.5 Consultation with Duty to Co-operate partners and other stakeholders will be undertaken using existing staff resources.

## **8.0 RELEVANT RISKS**

8.1 Not modifying the Core Strategy to address the issues identified in the SHMA and SHLAA could lead to the Core Strategy being withdrawn, with abortive costs and/or unnecessary time and expense being incurred at a future public examination.

8.2 A failure to comply with the requirements of national policy, for example by not making adequate provision for viable new development to meet objectively assessed needs, with sufficient flexibility to adapt to rapid change or to comply with the Duty to Co-operate, can be fatal to the legal compliance and soundness of the Core Strategy.

8.3 There may be a need to revise the final number of new homes to be provided, either before or during the public examination, to take account of any new or emerging evidence, including the implications of any more up-to-date population and household projections, including the findings of the emerging Liverpool City Region SHELMA.

8.4 A failure to have a Local Plan in place by March 2017 could lead to intervention by the Secretary of State under new powers introduced by the Housing and Planning Act 2016, including potential financial penalties, including the withdrawal of some or all, of the Council's annual award of New Homes Bonus.

8.5 Payments under the New Homes Bonus are also under review, following national consultation undertaken in March 2016 and could be amended, in terms of the amount and duration of payments for each new home completed.

## **9.0 ENGAGEMENT / CONSULTATION**

9.1 The review of the Council's SHMA has been undertaken in response to public consultation on the Proposed Submission Draft Core Strategy published by the Council in December 2012.

9.2 As the SHMA would significantly revise the evidence base for the Proposed Submission Draft Core Strategy, consultation will need to include the findings of the SHMA; the proposed future housing requirement to be contained within the Core Strategy; and the Council's assessment of the existing land supply.

9.3 Consultation will be undertaken in line with the Council's statutory Statement of Community Involvement, approved on 10 March 2014, accompanied by the documents referred to in the on-line Document Library.

9.4 The Council will also need to formally approach surrounding local authorities under the Duty to Co-operate for their views on the future housing requirement for Wirral and to ascertain if they could meet any of Wirral's housing need.

9.5 The consultation will be used to verify the objectively assessed need for new housing in the Borough; inform the final housing requirement to be contained within the Core Strategy Local Plan; and demonstrate that the Council has identified and assessed all the reasonable alternatives.

9.6 The results of consultation will be reported back to Cabinet before any findings are included in the final Draft Core Strategy Local Plan.

## **10.0 EQUALITY IMPLICATIONS**

10.1 The Core Strategy has been subject to ongoing Equality Impact Assessment.

10.2 Results of previous Equality Impact Assessments prepared at each stage in the preparation of the Core Strategy can be viewed at <http://www.wirral.gov.uk/planning-and-building/local-plans-and-planning-policy/local-plans/core-strategy-local-plan-0>

10.3 While the delivery of housing to meet identified housing needs can have positive implications for all groups, consultation at this stage will only relate to the global number of new homes required, rather than the impact on any specific or particular group, which will be the subject of a separate further report.

10.4 A revised Equality Impact Assessment will, however, be presented alongside the final proposals to be included in the final Core Strategy Local Plan.

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## **APPENDICES**

Appendix 1 – Background Information  
Appendix 2 – Summary of SHMA Scenarios

The following items can be viewed in the on-line Document Library: [Here](#)

Strategic Housing Market Assessment for Wirral (NLP, May 2016)  
Strategic Housing Land Availability Assessment for Wirral (Wirral Council, April 2016)

## **REFERENCE MATERIAL**

Additional background information relating to the earlier stages in the preparation of the Core Strategy Local Plan can be viewed on the Council's website at: <http://www.wirral.gov.uk/planning-and-building/local-plans-and-planning-policy/local-plans/core-strategy-local-plan>

The Government's National Planning Policy Framework and Planning Practice Guidance can be viewed at: <http://planningguidance.communities.gov.uk/>

The ONS 2012-based Subnational Population Projections can be viewed at: <http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2014-05-29#projections-for-local-authorities>

The CLG 2012-based Household Projections can be viewed at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

The ONS 2014-based Subnational Population Projections can be viewed at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2014basedprojections>

The report of the Local Plan Expert Group can be viewed at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508345/Local-plans-report-to-governement.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508345/Local-plans-report-to-governement.pdf)

Government consultation on revisions to the New Homes Bonus can be viewed at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/487095/151217\\_-\\_nhb\\_draft\\_condoc\\_published\\_version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487095/151217_-_nhb_draft_condoc_published_version.pdf)

Government consultation on "incentives" to local plan delivery can be viewed at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/507019/160310\\_planning\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507019/160310_planning_consultation.pdf) (Chapter 6 refers)

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Core Strategy - Publication of Proposed Submission Draft (Council)	15 October 2012 (Minute 60 refers)
Approval of Consultation on Initial Proposed Modifications to the Core Strategy (Delegated Decision)	20 June 2013
Adoption of Revised Statement of Community Involvement (Council)	10 March 2014 (Minute 90 refers)
Approval of Consultation on Further Proposed Modifications to the Core Strategy (Delegated Decision)	18 November 2014
Approval of Liverpool City Region SHELMA (Delegated Decision)	24 November 2015

## **BACKGROUND INFORMATION**

### **Planning Policy Context**

- 1 National planning policy is set out in the National Planning Policy Framework (NPPF, March 2012) accompanied by national Planning Practice Guidance (PPG).
- 2 It is national policy to boost significantly the supply of housing and improve the overall affordability of home ownership, particularly for first time buyers (NPPF, paragraph 47 refers). It is also national policy for the planning system to do everything it can to support sustainable economic growth (NPPF, paragraph 19 refers).
- 3 To achieve this, the Council must prepare a statutory Local Plan to set out how land in the Borough is to be developed over the next 15 to 20 years. As part of the Local Plan, the Council is required to establish the local requirement for housing and to identify enough land for development to meet it in line with national policy.
- 4 Before deciding on a final housing requirement figure, the Council is required to identify the objectively assessed need (OAN) for housing in its area by preparing a Strategic Housing Market Assessment (SHMA), to identify the scale and mix of housing which the local population is likely to need over the period that the Local Plan is intended to remain in force.
- 5 The calculation of OAN must not take policy considerations into account. Only once the OAN has been identified, can the Council then apply other considerations, such as environmental capacity, viability and growth ambitions, before arriving at the figure for the final housing requirement, which will be adopted through the Local Plan. The final housing requirement may therefore be higher or lower than the OAN.
- 6 The housing requirement and the proposals for how it will be met must, however, be tested by a Planning Inspector appointed by the Secretary of State, who will test the soundness and legal compliance of the Local Plan, before it can be legally adopted and brought into force.
- 7 The Government expects local plans to be at an advanced stage of preparation by the end of March 2017 and has recently consulted on proposals to penalise authorities who do not comply with this expectation.

### **The Council's Core Strategy Local Plan**

- 8 The Council's emerging Core Strategy Local Plan was published for public comment in December 2012 (Council, 15 October 2012, Minute 60 refers). A number of respondents cited the need for the Council to undertake further evidence to identify Wirral's objectively assessed housing need, to reflect the requirements of recent revisions to national planning policy and to replace the housing requirement contained within the former Regional Spatial Strategy, which was then still in force, awaiting final revocation.

- 9 In response to these comments and to ensure that the Core Strategy Local Plan was based on the most robust up-to-date evidence, the Council appointed Nathaniel Lichfield and Partners (NLP) to carry out an SHMA to identify the potential scale of future housing need and demand in Wirral to 2032 and beyond. The analysis has been complicated by unexpected significant changes between previous projections and the population recorded in the 2011 Census, limitations in the subsequent Interim Household Projections and the late publication of Stage Two 2012-based national household projections in December 2015.
- 10 While the SHMA also provides more detailed information with regard to the need for affordable housing and the needs of particular groups, only the elements related to the overall need for housing are addressed in this report. The implications of the more detailed information, for example with regard to the Council's approach to the provision of affordable and specialist housing, will be addressed in a separate additional report.
- 11 National PPG sets out the broad approach that local authorities should take when assessing their OAN but there is no single approved methodology. Household projections published by the Government, which estimate how many new households will form over time, based on past rates of migration (in and out of the Borough), natural change (births and deaths) and the likelihood of different age groups in the population to form new households, should, however, provide the starting point. The assessment should then take account of other factors which may affect local household formation such as housing affordability and economic growth.
- 12 The calculations are complex and highly sensitive to slight adjustments in their underlying assumptions and are often subject to long and detailed discussion at the later stages of the plan preparation process, when the Local Plan is being examined by a Planning Inspector appointed by the Secretary of State.
- 13 A Local Plan Expert Group, appointed by the Government in September 2015 to identify potential reforms to the Local Plan process, has recently made recommendations to simplify the process for preparing housing market assessments for use in the planning system. While NLP have taken these recommendations into account, they cannot yet be applied in full until they have been formally endorsed by the Government. NLP have therefore continued to present a series of scenarios based upon a range of housing, economic and population factors, trends and forecasts, to help inform the Council's future decision making.
- 14 Further details on each scenario are set out in the 'Summary of SHMA Scenarios', attached to this report.

## **Strategic Housing Market Assessment (SHMA) Results**

### **Housing Market Linkages** [section 3 of the SHMA refers]

- 15 The SHMA demonstrates that Wirral's housing market is largely self-contained, with over 70 per cent of all household moves taking place within Wirral, with the majority of the remaining households moving to and from Liverpool and to a lesser extent to and from Cheshire West & Chester.
- 16 The SHMA also demonstrates that the Wirral population is highly mobile, with approximately 45,000 people or 32% of those in employment, travelling outside the Borough to work, to areas including Liverpool (40%), Cheshire West and Chester (23%) and Flintshire (6%).
- 17 Wirral's strongest external links are, however, still with Liverpool.

### **Demographic Context** [section 5, paragraphs 5.6 to 5.15 and section 6 of the SHMA refer]

- 18 According to the latest 2012-based national population and household projections Wirral's population is projected to increase by almost 11,000 between 2012 and 2037. This marks a step change from the previous long-term trend of population loss in Wirral, which is currently thought to reflect the under-recording of people at the 2001 Census and a significant increase in the population of Liverpool, who are most likely to move from Liverpool to Wirral.
- 19 Typically, migration out of Liverpool to Wirral is focused in the older age groups, whilst migration out of Wirral to Liverpool and elsewhere is mostly focused in the young adult age groups, largely to attend university and find work. As a result, the number of people aged 60 and above is set to increase significantly in Wirral, with the largest increase seen in those aged 85 and over. If existing trends continue, the number of people of working age is projected to decline by 8.5% or by 15,129 people by 2037.

### **Economic Context** [section 4 of the SHMA refers]

- 20 The SHMA shows that there has been a significant increase in house prices in Wirral since 2000 (+167%) when compared to Merseyside as a whole (+148%). There are, however, significant differences in the average house price across the Borough, with considerably higher house prices in western and rural parts compared to the older urban areas in the east.
- 21 The ratio of average house price to average earnings has also risen sharply since 1997, with affordability almost halving during this period, demonstrating a significant underlying need for affordable housing.
- 22 In terms of overcrowding, while the proportion of households living in overcrowded conditions is modest (3.9%), levels of overcrowding are increasing in the Borough at a rate higher than the regional average, The number of concealed households had also risen by over 53% since 2001, which may reflect people living in smaller

houses to manage costs or being forced to share accommodation with friends or family due to a lack of affordable housing.

**Affordable Housing Need** [sections 9 to 11 of the SHMA refer]

23 The SHMA identifies a total affordable housing need of 1,034 homes per year in Wirral, based on housing register data (3.3x income plus 20% deposit). PPG states that this need should be considered against the percentage of affordable housing that could be delivered by market housing led developments. NLP therefore recommend that up to 40% of all new housing should be delivered as affordable housing, subject to viability testing through the Local Plan.

24 In terms of the split required between housing type and size over the plan period, NLP also recommend the following percentage targets for Wirral, subject to viability testing:

Property Sizes

- *Total market and affordable housing* - 40% 1 or 2-bed and 60% 3 or 4-bed dwellings
- *Affordable housing* - 85% 1 or 2-bed and 15% 3 or 4-bed.

Property Types

- *Market housing* - 35% semi-detached; 25% detached; 10% terraced; 10% flat/maisonette; and 20% bungalow/specialist older people's accommodation
- *Affordable housing* - 30% semi-detached; 10% detached; 15% terraced; 20% flat/maisonette; and 25% bungalow/specialist older people's accommodation.

25 The recommended split between property size and type is intended to rebalance the stock towards 2-bed dwellings; larger more aspirational housing; and good quality accommodation designed specifically for the growing older person population. NLP nevertheless recommend that the Council takes a flexible approach when dealing with housing-related planning applications, to ensure that housing viability is not compromised by an unsuitable housing mix.

26 A further separate report on the Council's proposed approach to the delivery of affordable and specialist housing, will be presented later in the year.

**Population-Led Scenarios** [section 7 and paragraphs 7.9 to 7.24 of the SHMA refer]

27 NLP has considered five population-led scenarios, to assess their potential impact on the need for new housing:

- **Scenario A** – reflects the national 2012-based subnational population projections as the 'baseline' scenario.

- **Scenario Ai** – assumes that more new households will form over time as ‘pent up’ demand within the younger population (25-34 age groups) is released following a long period of unmet need given the lack of mortgage availability during the recession.
- **Scenario B** – based on the longer-term trend of migration which shows more people leaving the Borough than coming in.
- **Scenario C** – models the population impacts of balancing migration, to ensure that the number of migrants coming into the Borough equals the number moving out.
- **Scenario D** – looks at the impact of stripping out all migration into and out of Wirral so the only way the population can change is from the interaction of births and deaths.

28 Under each of these scenarios, based on existing trends, Wirral would experience an increasingly ageing population and a steep decline in the number of residents of working age. Fewer jobs will be able to be supported and the need for new homes would range between **451** and **757** per year up to 2032, largely to meet the needs of smaller, older households.

29 NLP advise that the only scenario that is likely to meet the needs of Wirral’s existing and future population is Scenario Ai, which assumes that more new households will form over time as ‘pent up’ demand within the younger population (25-34 age groups) is released following a long period of unmet need given the lack of mortgage availability during the recession – which would give rise to a need for **757** additional dwellings per year up to 2032.

#### **Market Signals** [paragraphs 8.8 to 8.17 of the SHMA refer]

30 In accordance with existing national PPG, NLP conclude that market signals, including the rate of change in house prices, the affordability ratio and the relative under-delivery of housing in the past, would justify increasing the population-based OAN by 5%, to **795** dwellings per year.

#### **Affordable Housing** [paragraphs 8.30 to 8.35 of the SHMA refer]

31 In accordance with existing national PPG, NLP advise that the significant underlying need for affordable housing should also be reflected, by raising the population-based OAN by a further 10%, to **875** dwellings per year up to 2032.

#### **Employment-Led Scenarios** [section 7 and paragraphs 7.25 to 7.46 of the SHMA refer]

32 It is national policy that significant weight should be placed on the need to support economic growth through the planning system (NPPF, paragraph 19).

- 33 A series of employment-led scenarios have therefore also been calculated to assess whether any additional housing would also be needed, to take account of economic growth.
- 34 These scenarios assess how many people would need to move into Wirral to support a given level of employment within the Borough, taking economic activity, commuting rates and the likely age of in-migrants into consideration. The scenarios then calculate how many new homes this increase in population is likely to generate.
- 35 Sensitivity tests also calculate the number of new homes that might be needed if the out-commuting rate was to reduce by 5% over the plan period, if a larger proportion of Wirral residents took up job opportunities in Wirral rather than in adjoining districts and fewer working age people were needed to move into the Borough.
- 36 The SHMA examines the following employment-led scenarios:
- **Scenario E** – based on the “policy-off” economic forecasts produced by Oxford Economics as part of their work for the Liverpool City Region Local Enterprise Partnership in 2014.
  - **Scenario F** – based on the “policy-on” Oxford Economics forecasts, which included the potential job growth from schemes at Wirral Waters (International Trade Centre, Advanced Supplier Park and East Float) and Wirral International Business Park (Former MOD site and Former RV Chemicals).
  - **Scenario G** – based on the number of dwellings that would be necessary to sustain job stabilisation over the Plan period (i.e. no net gain/loss in jobs).
  - **Scenario H** – considers how much housing would be needed if past trends of (negative) job growth were to continue into the future.
  - **Scenario I** – based on the most up-to-date “policy-off” economic forecasts produced by Experian (December 2015) which contain more optimistic growth assumptions than those previously forecast by Oxford Economics.
- 37 These scenarios identify a need for between **188** and **1,304** new homes each year up to 2032.
- 38 Under the scenarios which project job losses, it is estimated that a large number of working age people would leave the Borough and household growth would only be in the older age groups.
- 39 Under the scenarios which forecast job growth, a significant increase in the working age population would be required. In the absence of a significant change in commuting patterns or further large reductions in unemployment and economic inactivity, this level of job growth would require very high levels of net in-migration and would result in the need for a substantial number of new dwellings.

- 40 NLP advise that at least 790 additional homes would need to be provided each year if the number of jobs that could be supported by the local population was to remain stable to 2032, supported by in-migration of up to 10,348 additional people (Scenario G refers).
- 41 Any further job growth above this would require a further substantial increase in in-migration and a further substantial increase in the number of homes that would need to be provided to support it.
- 42 NLP advise that the latest 'policy-off' economic baseline projections from Experian (December 2015), which show employment growth in Wirral of 7,730 jobs to 2032 (Scenario I), would require 1,233 additional dwellings to be provided, given the existing pattern of migration of older age groups. Any figure below this would effectively represent holding back the 'natural' trajectory of the underlying Wirral economy.

**Policy-Led Benchmarks** [section 7 and paragraphs 7.47 to 7.50 of the SHMA refer]

- 43 The SHMA also models two scenarios which assess the impact on the population if the previous average rate of housing delivery continued to 2032 and if the need for affordable housing was accommodated (at 40% of all new housing development), which would suggest a need for **383** or **2,585** new homes each year respectively.
- 44 NLP advise that maintaining the average rate of actual housing delivery over the last 12 years could reduce the working age population by over 8% or 12,544 people by 2032 and could reduce the number of jobs that could be supported by the local population by 7,321.

**Overall Objectively Assessed Need** [section 8 of the SHMA refers]

- 45 Taking all the scenarios into consideration, including market signals and the need for affordable housing, the SHMA concludes that the Borough's OAN for housing should stand at between **875** and **1,235** per year, equivalent to the provision of **between 15,750 and 22,230 additional new homes** over the next 15 years.
- 46 The lower end of the range reflects Scenario Ai, with the two additional uplifts for market signals (5%) and affordable housing (10%) applied.
- 47 The higher end of the range reflects Scenario I, to provide a sufficiently large labour force to support the latest Experian economic forecasts, excluding any allowance for a reduction in out-commuting of 5%.
- 48 Were the recommendations of the Local Plan Expert Group to be accepted by the Government, the lower end of the range may only need to be uplifted by a single factor of 10% and the OAN would therefore stand at 15,030 homes over 15 years or 835 per year.

- 49 NLP, nevertheless, advise that an OAN below 900 homes per year would fail to prevent the net loss of working age people and would therefore not support economic growth, which could have implications for the ability to meet the economic growth aspirations of the Wirral Growth Plan.

### **Policy Implications**

- 50 The findings will not only have implications for the final housing requirement to be included in the emerging Core Strategy Local Plan but also for the calculation of the housing land supply that is used in the determination of planning applications.
- 51 National policy states that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites (NPPF, paragraph 49) and that where relevant policies are out-of-date, planning permission should be granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole or specific policies in the Framework indicate development should be restricted (NPPF, paragraph 14 refers).
- 52 The SHMA recognises that this level of housing provision would be very challenging for the Borough to achieve without a step-change in housing delivery and a transformation in the local housing market and that providing additional housing to secure additional jobs could simply perpetuate unsustainable travel patterns if the planned level of employment is not secured.
- 53 In terms of previous rates of housing delivery, the highest rates in Wirral occurred in the late 1970's, related to the rapid expansion into open countryside prior to the establishment of the Merseyside Green Belt in 1983. A large number of completions during this period were also Local Authority built properties, which totalled around 40 per cent of all completions.
- 54 Net completions in Wirral have rarely exceeded 600 per year since the mid-1990s. The most recent highest rate of housing delivery in Wirral was in 2007/08, prior to the onset of the recession, at 820 gross completions, of which over 60% were flats or apartments. Only since 2012 have gross completions slowly begun to recover, to around 500 per annum and viability remains an issue in parts of the Borough, particularly on smaller schemes and on previously developed sites.

### **Housing Requirement**

- 55 The Council must now use the objectively assessed need (OAN) as the basis for deciding on the figure to take forward as the new housing requirement, to be delivered through the Core Strategy Local Plan, as it will be the housing requirement figure in the Local Plan, rather than the OAN, that will be the target against which housing supply will normally be measured.
- 56 National policy states that local planning authorities should positively seek opportunities to meet the development needs of their area and that local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and

demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole or specific policies indicate development should be restricted (NPPF, paragraph 14).

- 57 The Council will therefore need to consider if any adverse impacts of meeting the full OAN in Wirral would significantly and demonstrably outweigh the benefits, taking into consideration specific NPPF policies and constraints which restrict development, such as those relating to Green Belt; agricultural land; European Protected Sites; national Sites of Special Scientific Interest; Local Green Space; designated heritage assets; and locations at risk of flooding and coastal erosion.
- 58 Recent case law indicates that it is not sufficient to simply determine the maximum housing land supply available and constrain the housing requirement to that figure. A distinct assessment must be made of whether specific policies dictate or justify constraint.

### **Sub-Regional Context**

- 59 The decision regarding the final housing requirement for Wirral will also need to be taken alongside neighbouring local authority partners to ensure that strategic cross-boundary issues have been properly addressed, particularly as any failure to meet Wirral's full objectively assessed needs could result in additional pressure on neighbouring authorities to accommodate any unmet need.
- 60 The Council has already informally sought the views of surrounding local authorities on the emerging range of objectively assessed need as part of the preparation of the SHMA. While the surrounding local authorities would generally support the Council meeting the population-led housing needs of the future population in line with the national household projections, they would have concerns over the levels of in-migration which would be required to deliver the higher-level growth scenarios, primarily because of the impact on their own aspirations to grow their own working age populations.
- 61 To help resolve these issues, Liverpool City Region authorities have now jointly commissioned a Strategic Housing and Employment Land Market Assessment (SHELMA), to identify the scale of housing and employment land that would be needed to inform a Liverpool City Region Single Spatial Framework, in line with the Devolution Agreement agreed in November 2015.
- 62 The SHELMA, which is scheduled for completion by September 2016, will identify revised OAN figures both for the LCR as a whole and for each of the individual districts, including Wirral, based on the more recent 2014-based population projections, which can be used to further verify the findings of the Wirral SHMA but which may give slightly different results on the basis of the joint consideration of employment needs in particular.
- 63 While it is too early to draw firm conclusions, it is already known that the 2014-based population projections show a further upward trend in growth, when compared with the projections used by NLP and it is therefore unlikely that the

OAN identified in the SHELMA will be significantly lower than that identified by NLP in the Wirral SHMA.

### **Housing Land Supply**

- 64 Previous reports have explained the importance of the Council being able to demonstrate that an ongoing five-year housing land supply is in place for the whole of the plan period before the Core Strategy is submitted to the Secretary of State, based on the number of new homes that are needed and the likelihood that they will be delivered on the sites identified.
- 65 In many cases, these issues have been the single most important factors which have led to the delay, postponement, rejection and withdrawal of significant numbers of other Local Plans across the country.
- 66 National planning policy, in particular, requires local planning authorities to:
- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the National Planning Policy Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
  - identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land; and
  - identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 (NPPF, paragraph 47);
- 67 To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and, in particular, that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have longer term phasing plans (NPPF, footnote 11 refers).
- 68 To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged (NPPF, footnote 12 refers).
- 69 The Council has updated its Strategic Housing Land Availability Assessment (SHLAA), to April 2016, to identify sites without a current planning status that could

potentially be brought forward for housing, in addition to sites that already have planning permission or are allocated for development in the Unitary Development Plan.

- 70 The SHLAA has considered vacant brownfield sites in the Borough (irrespective of their current designation); previous planning permissions for housing which have expired; urban greenfield sites not otherwise identified for protection in the Unitary Development Plan; and sites identified and submitted for consideration by landowners and developers. The assessment is updated on an annual basis.
- 71 The SHLAA places each site into one of three categories, depending on when they could deliver housing, based on their suitability, availability and economic viability:
- **Category 1** - sites considered to be suitable for housing and which could be delivered within five years;
  - **Category 2** - sites considered to be developable but which may have some additional constraints which mean that they are more likely to be delivered within a 6-10 year period;
  - **Category 3** - sites considered not currently developable and subject to constraints which may only make them deliverable within an 11-15 year period, if at all.
- 72 All the sites put forward in the Green Belt by developers and landowners have been placed in Category 3 and have been excluded from the calculation of the future housing land supply, as their delivery would currently be reliant upon an appropriate future Local Plan review.
- 73 The Council's previous SHLAAs have identified a diminishing supply of suitable, viable and deliverable urban sites. The most recent update shows a total potential capacity of up to 5,651 new homes without planning permission but this includes employment sites, open spaces and other sites subject to constraints such as flood risk and contamination.
- 74 The SHLAA April 2016 identifies that 1,249 of the total potential new homes could be delivered within the next five years. In addition to the sites identified in the SHLAA, there is currently planning permission in place for over 2,200 homes in Wirral. Taken together, this would currently be equivalent to a 2.8-year supply calculated against the lower range OAN or a 1.9-year supply calculated against the higher range need.
- 75 These figures do not include the potential for housing delivery at Wirral Waters. The Council has granted outline planning consent for up to 13,521 dwellings at Wirral Waters, subject to a section 106 agreement signed in May 2012. A further outline planning application for 1,531 units and a full planning application for 141 units have also been approved but the relevant section 106 agreements have not yet been signed.

- 76 The information submitted with the planning applications at Wirral Waters highlighted that a high proportion of prospective residents (up to 90%) were expected to move into the Borough from elsewhere, with 70% moving from outside the City Region. The Council continues to hold discussions with Peel to support the acceleration of residential development within the Wirral Waters scheme and the latest projection by the developer is for 1,000 units to be delivered within the next five years.
- 77 NLP advise monitoring the progress of major employment-related development schemes, such as Wirral Waters, which if developed over the course of the Core Strategy plan period could require the assessment of economic aspirations to be significantly revised.
- 78 Any shortfall against the housing requirement would normally need to be met by bringing sites forward from Category 2 and Category 3 – sites which may be subject to alternative designations or which may currently prove to be considered unacceptable or be subject to constraints which render them unviable, particularly in the short-term, which could impact on housing delivery. In Wirral's case, additional sites, which are not currently identified in the SHLAA, would also need to be identified.
- 79 Table 1 shows the total potential number of dwelling units within each Category in the SHLAA at April 2016 (excluding previously undeveloped sites in the Green Belt), against the recommended lower range OAN:

**Table 1**

Status	Estimated Number of Units	Cumulative Capacity	Lower Range OAN	Shortfall Against OAN
Commitments (with planning permission)	2,221			
Category 1 (deliverable in years 0 – 5)	1,249	3,470	4,375	905
Category 2 (deliverable in years 6 – 10)	1,443	4,913	8,750	3,837
Category 3 (not currently deliverable until years 11 – 15)	2,959	7,872	13,125	5,253
Potential capacity at Wirral Waters	1,000	8,872	13,125	4,253
<b>Total potential supply</b>	<b>8,872</b>			

- 80 The OAN is, however, based at 2014 and any shortfall in housing delivery in 2014/15 and 2015/16 would normally be expected to be met within the first five years of the plan period. Table 2 therefore sets out the current housing land supply position measured against both the lower and upper range of the recommended OAN.

**Table 2**

		<b>Lower Range OAN (875 per year)</b>	<b>Upper Range OAN (1235 per year)</b>
A	Objectively Assessed Need (OAN) 2014-2016	1,750	2,470
B	Net Completions 2014 - 2016 (new build plus net gain from conversions minus demolitions)	1,035	1,035
C	Shortfall of completions against target 2014-2016 (A - B)	715	1,435
D	15 year projected demolitions 2016-2031 (currently assumed at 50 each year)	750	750
E	15 year gross housing target 2016- 2031 including shortfall and projected demolitions (OAN x 15) + C + D	14,590	20,710
F	Total housing land supply at April 2016 (Including all SHLAA sites, units with planning permission and estimated delivery at Wirral Waters)	8,872	8,872
<b>G</b>	<b>Shortfall in Supply (D - E)</b>	<b>5,718</b>	<b>11,838</b>

- 81 Table 1 and Table 2 both demonstrate that even if all of the potential capacity identified in the SHLAA 2016, including a modest level of development at Wirral Waters, can be delivered, there would still be a significant shortfall in the supply of future housing land in the Borough against the calculated OAN under both scenarios.

### **Land Supply Options**

- 82 There are seven main options for providing an appropriate future land supply, which could be pursued together or apart:

Employment sites – the Council’s existing Employment Land and Premises Study currently shows a shortfall of employment land, subject to the delivery of high density employment development at Wirral Waters.

The Borough’s future employment land needs will be re-considered as part of the Liverpool City Region SHELMA and a review of employment sites is currently being undertaken by the Council’s Investment Team. While some sites may come forward for housing, they are unlikely to be of sufficient scale to address the full extent of the overall shortfall over the plan period.

Town centres - the Council could seek to promote a greater element of mixed-use as part of a wider range of commercial-led developments but it is currently unclear

whether it would be realistic or possible to deliver any significant additional housing capacity.

Open spaces – the Council would need to actively reconsider the re-designation of currently protected sites and/or significantly lower the existing standard of recreation and open space provision to generate any significant additional housing capacity.

Increased densities – the Council could promote a higher density of housing development to maximise the potential capacity of available sites but this could have a significant impact on the character of the existing urban area, some of which are already protected by existing density controls or heritage-related designations.

Wirral Waters – to be included, the Council would need to be able to demonstrate that there was a reasonable prospect of the site actually coming forward, in terms of completed new dwellings, to meet the Boroughs identified housing needs.

On the basis of the Local Plan Viability Study Baseline Report, the SHLAA currently assumes a maximum build-out rate of around 50 homes per year on larger sites. Recent consultation also indicates that house-builders would currently seek to build no more than 100 houses each year in any one location, to avoid market saturation.

Other local authorities – the key districts of Liverpool and Cheshire West and Chester have already indicated that they are unlikely to be able to accommodate any of Wirral's housing needs.

- 83 The only other potential remaining source of supply is land in the existing Green Belt.

## **Summary of Strategic Housing Market Assessment (SHMA) Scenarios**

### **1. Population-Led Scenarios**

#### **Scenario A – 2012-based Subnational Population Projections - Baseline**

This 'do nothing' scenario reflects the 2012-based subnational population projections and demonstrates that there will be a significant shift in the Borough's population profile if current trends continue over time, with an increasingly ageing population and a steep decline in the number of residents of working age. This would result in an annual housing need of **685** dwellings per year.

#### **Scenario Ai – Sensitivity Test – Partial Catch-up**

As Scenario A is purely based on recent trends, it does not take account of the impact of the recession on the supply of housing and the ability of households to form, given the lack of mortgage availability. NLP has therefore tested a scenario which assumes that 'pent up' demand within the younger population (25-34 age groups) is released over time and results in higher household formation which, over the long term, returns to longer term trends. This would result in an annual housing need of **757** dwellings per year.

#### **Scenario B – Long Term Migration Trend**

This scenario looks at average migration trends observed in Wirral over a longer time period than under Scenario A, when Wirral experienced higher levels of out-migration than in recent years, particularly from people of working age.

Under this scenario, the population of Wirral is projected to increase by just 66 people between 2014 and 2032, with an increase in households of 7,786 (reflecting increasingly smaller households) and an annual housing need of **451** dwellings.

#### **Scenario C – Zero Net Migration**

This scenario models the population impacts of balancing migration, to ensure that the number of migrants coming into the Borough equals the number moving out.

This scenario would lead to a population increase of 3,313 people over the period 2014 to 2032, with an increase in 9,364 new households in Wirral and would generate a need for **542** dwellings per annum up to 2032. Although not feasible in practice, this scenario highlights that it is largely older people who migrate into Wirral and largely working age people who leave.

#### **Scenario D – Natural Change**

This scenario examines the consequences of stripping out all the migration both into and out of Wirral over the period 2014 to 2032. As a consequence, the only way the population can change is from the interaction of births and deaths.

Even after removing all migration, the population is still projected to increase by 3,831 residents between 2014 and 2032. This equates to household growth of 8,303, with a requirement for **481** new homes each year. However, due to the ageing population, virtually all of the population growth will be in the older age categories and the number of working age residents will decline. The number of jobs that could be supported by the resident population would therefore fall by 3,014 over time.

Whilst this scenario is again not feasible in practice, it provides a useful indication of the extent to which Wirral's underlying needs are driven by the level of births relative to deaths and underlines the importance of in-migration to support future economic growth.

## **2. Employment-Led Scenarios**

### **Scenario E – Liverpool LEP OE Job Growth**

This scenario models the “policy-off” economic forecasts produced by Oxford Economics as part of their work for the Liverpool City Region Local Enterprise Partnership, which estimated the loss of 5,500 jobs in Wirral between 2014 and 2032.

To reflect this level of job decline, taking into account current commuting patterns and projected changes in economic activity rates, it is estimated that a large number of working age people would leave the Borough and household growth would only be in the older age groups, generating an annual housing need of **488** dwellings per year.

### **Scenario Ei – Sensitivity Test**

Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **188** dwellings per year, as more of Wirral's existing residents would take up job opportunities in Wirral.

### **Scenario F – Policy-On Economic Growth Scenario**

This scenario uses the “policy-on” Local Enterprise Partnership Oxford Economics forecasts which tested the policy responses that might be necessary to secure a higher level of economic growth within the Liverpool City Region, including potential job growth from major schemes at Wirral Waters and Wirral International Business Park.

This scenario increases the number of jobs in Wirral by 8,800 over the period 2014 to 2032. In the absence of a significant change in commuting patterns or further large reductions in unemployment levels, this level of job growth would require very high levels of net in migration, to generate a significant growth in the working age population and result in a need for a substantial number of new dwellings, up to **1,304** per year.

### **Scenario Fi – Sensitivity Test**

Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **965** dwellings per year.

### **Scenario G – Job Stabilisation**

This scenario examines the number of dwellings that would be necessary to allow the Borough to maintain the same number of jobs throughout the Plan period. Due to the

declining number of economically active residents over time, there would need to be a substantial increase in the level of net in-migration, with a need for **790** dwellings per year.

#### **Scenario Gi – Sensitivity Test**

Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **475** dwellings per year.

#### **Scenario H – Past Trends Job Growth**

This scenario considers how much housing would be needed if past (negative) trends in job growth were to continue, based on the average decline in the number of jobs of -148 per year between 1997 and 2014.

As the population is aged, more people are required to sustain the workforce, hence even though the number of jobs declines under this scenario, the Borough's working age population would still need to increase to counteract the effect of people leaving the workforce to retire, resulting in an overall need for **641** dwellings per year.

#### **Scenario I – Experian Forecast**

This Scenario models the impact of the most up-to-date 'policy-off' Experian economic forecasts for December 2015, which project job growth of 7,730 in Wirral over the period between 2014 and 2032. To support this level of job growth, there would need to be a substantial increase in the size of the labour force through net in-migration, which would generate a need for **1,233** dwellings per year.

#### **Scenario li – Sensitivity Test**

Reducing the net commuting rate over time, by 5% over the Plan period, could moderate the number of new dwellings needed, to **898** dwellings per year.

### **3. Policy-Led Benchmarks**

#### **Scenario J – Affordable Housing Need**

This scenario looks at the level of housing that would be required to meet the level of affordable housing need identified by NLP in the other sections of the SHMA. Assuming that 40 per cent of all new housing would be brought forward as affordable would result in a requirement for **2,585** dwellings per year.

#### **Scenario K – Past Delivery Rates**

This scenario calculates the impact on the local population of continuing the past rate of housing delivery between 2003/04 and 2014/15, when a total of 4,596 new homes net of demolitions were delivered in Wirral, at an annual rate of **383** per year. This scenario would result in a population decline, of 3,150 residents to 2032, with a corresponding decline in the number of jobs that could be supported, by 7,321.

**Table 1 – Wirral SHMA Update 2016 - Summary of Scenario Outputs**

<b>Scenario</b>	<b>Change in Population 2014-2032</b>	<b>Change in Jobs 2014-2032</b>	<b>Total Additional Dwellings 2014-2032</b>	<b>Annual Average Dwellings Required 2014-2032</b>
A - 2012-based SNPP	10,140	-2,085	12,326	685
Ai - 2012 SNPP With Partial Catch Up	10,140	-2,085	13,622	757
B - Long Term Migration	66	-6,295	8,112	451
C - Zero Net Migration	3,313	-4,711	9,756	542
D - Natural Change	3,831	-3,014	8,651	481
E – Oxford Economics 2014 Job Growth	1,486	-5,500	8,792	488
Ei – Oxford Economics 2014 – Sensitivity Test	-11,850	-5,500	5,385	188
F – Oxford Economics 2014 Policy-On Job Growth	37,441	8,800	23,467	1,304
Fi – Oxford Economics 2014 Policy-On – Sensitivity Test	22,390	8,800	17,373	965
G - Job Stabilisation	14,912	0	14,213	790
Gi - Job Stabilisation – Sensitivity Test	928	0	8,549	475
H - Past Trends Job Growth	8,308	-2,664	11,539	641
I - Experian December 2015 Job Growth	34,439	7,730	22,191	1,233
Ii - Experian Job Growth – Sensitivity Test	19,529	7,730	16,156	898
J - SHMA Affordable Housing Needs	-	-	46,530	2,585
K - Past Net Housing Delivery	-3,150	-7,321	6,894	383



## **CABINET**

**Monday 18 July 2016**

### **CORE STRATEGY LOCAL PLAN - WIRRAL RETAIL & LEISURE STUDY UPDATE**

#### **Councillor Phil Davies, Leader of Wirral Council, said:**

“Thriving small businesses is one of our 20 Pledges, and is a fundamental part of creating the vibrant and successful economy we all want to see in Wirral. We are making great progress already – the plans for the regeneration of Birkenhead are incredibly exciting, and the developments at New Brighton show us what can be achieved when we aim high.

We also know where our challenges are: we are determined to work with local people, businesses and employers over the coming year to make sure Wirral’s high-streets are prosperous, healthy and thriving.”

#### **REPORT SUMMARY**

In 2015 Wirral Council asked its retained retail consultants - Nathaniel Lichfield & Partners ('NLP') to prepare a Borough-wide Retail and Leisure Study Update ('the NLP Retail Study'). The NLP Retail Study updates the evidence base, replacing the existing Strategy for Town Centres, Retail and Commercial Leisure prepared by Roger Tym & Partners and the Wirral Retail Study Update prepared by GVA Grimley.

The Council will use the findings of this report to shape our approach to supporting small businesses and high-streets to succeed. It provides a helpful evidence base on which we can design our plans and interventions, enabling us to target our activity and support on those areas which will make the biggest impact.

The retail study highlights the strength of the New Brighton redevelopment which, along with the Croft Retail Park, is now Wirral’s main commercial leisure destination. The study also highlights retail areas in Wirral with space for expansion, including Birkenhead.

## The NLP Retail Study:

- Assesses retail and commercial leisure patterns and expenditure 'leakage'; quantifies the performance of retail destinations; and provides a comparison with the findings of previous studies; informed by a telephone survey by NEMS market research of 1,100 households split across a series of postcode-based survey zones undertaken in June 2015;
- Assesses the future need, capacity and potential locations for additional retail floor space in the Borough over the period to 2030;
- Considers whether current retail provision is meeting the demands of Wirral residents and whether there is a need to increase competition and/or influence the mix of local provision within the retail sector;
- Advises on potential threats to the future retail health of the Borough and its town centres;

The NLP Retail Study utilises the hierarchy of centres set out in Draft Policy CS25 in the emerging Core Strategy Local Plan. The work of the consultants has been supplemented by health checks of the main centres in the Borough undertaken by Council officers during the summer of 2015. A summary of the health check assessments has been included in section 5 of the NLP Retail Study. The NLP Retail Study utilises the same population data used in the 2016 Strategic Housing Market Assessment, also produced for the Council by NLP.

## The NLP Retail Study key findings are:

- 98% of convenience expenditure (on food and everyday items) by Wirral residents is undertaken at stores and centres within the Borough;
- The discount supermarkets (Aldi and Lidl) now account for just over a quarter of convenience spending and have grown at the expense of the 'big 4' supermarket operators;
- Two-thirds of comparison retail expenditure generated by Wirral residents is retained within the Borough. Birkenhead's market share of 16.6% has for the first time been exceeded by the Croft Retail and Leisure Park's market share of 16.9%. Liverpool is the main destination for out of Borough spending;
- New Brighton and the Croft Retail and Leisure Park are the main commercial leisure destinations in the Borough;
- There is capacity for almost 14,000 sq m net of additional convenience floorspace at 2015, which increases to 20,000 sq m net by 2030;
- There is capacity for new convenience floorspace in all centres with the exception of Hoylake;
- There is capacity for approximately 1,500 sq. m net of additional comparison retail floorspace at 2020 rising to 8,500 sq. m net by 2025 and 16,676 sq.m by 2030;
- Significant capacity is identified for new comparison retail floorspace in Birkenhead, while in Liscard, Moreton and Bromborough Village there is capacity to support small scale interventions. There is no significant capacity in the other town or district centres in Wirral over the Core Strategy plan period; and

- There is no immediately obvious shortfall in leisure provision. NLP consider it unlikely that any intervention could lead to a shift away from Liverpool's dominance in the theatre/concert/museum/art gallery sector.

The Wirral 2020 Plan promotes thriving small businesses and to enable them to grow we will work to improve local high streets and our town centre economy. Retail areas are key parts of our local communities and ownership of these areas by businesses and people as well as accessibility, good design and healthy and prosperous environments will be promoted.

The report is a key decision as the findings could affect a large number of wards.

## **RECOMMENDATIONS**

1. That Cabinet recommends to Council that the findings of the NLP Retail Study Update be used to inform the content of the Council's emerging Core Strategy Local Plan and subsequent site-specific Local Plan.
2. That Cabinet recommends to Council that the NLP Retail Study be approved as a material consideration for use by Planning Committee in the determination of planning applications.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 To approve an up-to-date retail evidence base to inform the preparation of the Council's Core Strategy Local Plan and assist with the consideration of planning applications.
- 1.2 To comply with the legal and procedural requirements for the preparation and adoption of an up-to-date Core Strategy Local Plan for Wirral, in line with the National Planning Policy Framework (NPPF).

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Paragraph 23 of the NPPF states that local planning authorities should plan to meet in full the need for additional retail, leisure, office and other main town centre uses over the period of their Local Plan. When planning for growth in their town centres, local planning authorities should allocate a range of suitable sites to meet the scale and type of town centre uses needed, including new retail and leisure floorspace. It is important that the needs for retail and other main town centre uses are met in full and not compromised by limited site availability.
- 2.2 The NLP Retail study will inform the preparation of the Council's statutory Local Plan for the area. Not preparing an up-to-date Local Plan would mean that the Council would have to continue to rely on the Unitary Development Plan adopted in February 2000. The national presumption in favour of sustainable development would be held to apply where the development plan is absent, silent or relevant policies are out-of-date (NPPF paragraph 14). In the absence of an up-to-date Local Plan, decisions on planning applications will have to be made in the context of the National Planning Policy Framework, with policies in the Unitary Development Plan only carrying weight according to their consistency with the Framework.
- 2.3 Not preparing an up-to-date Local Plan may also incur financial penalties and the intervention of the Secretary of State.

### **3.0 BACKGROUND INFORMATION**

- 3.1 In 2015 Wirral Council asked its retained retail consultants - Nathaniel Lichfield & Partners ('NLP') to prepare a Borough-wide Retail and Leisure Study Update ('the NLP Retail Study'). The NLP Retail study updates the evidence base, replacing the 2009 Strategy for Town Centres, Retail and Commercial Leisure ('the 2009 study') prepared by Roger Tym & Partners (which included a household survey) and the 2012 Wirral Retail Study Update ('the 2012 update') prepared by GVA Grimley (which did not include a new household survey). The NLP Retail study:
  - Assesses retail and commercial leisure patterns and expenditure 'leakage'; quantifies the performance of retail destinations; and provides a comparison with the findings of previous studies;
  - Assesses the future need, capacity and potential locations for additional retail floor space in the Borough over the period to 2030;

- Considers whether current retail provision is meeting the demands of Wirral residents and whether there is a need to increase competition and/or influence the mix of local provision in the retail sector; and
- Advises on the future retail health of the Borough and its town centres;

3.2 The NLP Retail study utilises the hierarchy of centres set out in Draft Policy CS25 in the emerging Core Strategy Local Plan. The work of the consultants has been supplemented by health checks of the Borough's main centres undertaken by Council officers during summer 2015 (summarised in section 5 of the NLP Retail Study).

#### 4.0 ASSESSMENT OF SHOPPING PATTERNS

4.1 The assessment of shopping patterns in the Borough is informed by new empirical research (a telephone survey by NEMS market research of 1,100 households split across a series of postcode-based survey zones) undertaken in June 2015.

##### *Convenience Shopping Patterns*

4.2 The household survey asked residents their primary main food and primary 'top-up' convenience retail shopping destinations (convenience shopping is on food and other everyday items). The two sets of responses were then combined to provide an overall picture of convenience shopping patterns in the study area. The analysis excludes internet/mail order responses and 'don't know'/'don't buy' responses. This is summarised in Table 4.1 of the NLP Retail study which shows the percentage of combined main food and top-up trips to each centre/destination (reproduced below).

Centre	Market Share (%)
Birkenhead	7.53
Heswall	8.72
Liscard	9.55
Moreton	1.97
West Kirby	7.77
Bromborough Village	1.37
Hoylake	0.69
Woodchurch Road, Prenton	8.19
Other local Centres Combined	11.55
<b>Sub Total</b>	<b>57.32</b>
Other Destinations	Market Share (%)
Aldi, New Ferry	4.18
Aldi, Moreton	2.86
Asda Birkenhead	2.40
Asda, Croft Retail and Leisure Park	6.49
Asda, Arrowe Park	5.11
Morrisons, New Brighton	3.07
Sainsbury's, Upton	5.48
Tesco Extra, Bidston	5.15
Other Destinations in Wirral Borough	6.15
<b>Wirral Borough Total</b>	<b>98.20</b>
<b>Leakage</b>	<b>1.80</b>

- 4.3 NLP note that the 98.2% retention rate is an increase on the already high retention rate of 95.4% recorded in the 2012 update (based upon the 2009 household survey). This suggests that the geography of the Borough reinforces the tendency for convenience retail shopping to be undertaken at destinations close to home.
- 4.4 NLP considers that the household survey results demonstrate that all of the higher-order defined centres, together with out-of-centre stores (with the exception of Bromborough District Centre and Hoylake) are meeting local shopping needs. The household survey results also show that the proportion of convenience retail expenditure retained across the eleven sub-zones that make up the study area is consistently high, indicating that Wirral residents are well provided for in the food retail sector (at least in terms of supermarket provision).
- 4.5 The results additionally show that the recorded market share of the “big 4” supermarket operators (Asda, Morrison’s, Sainsbury’s and Tesco) has fallen from 68% in 2012 (based on a 2009 survey of shopping patterns) to 57% in 2015, despite the opening of new stores in Birkenhead (Asda) and New Brighton (Morrisons) in the period between the two surveys. By contrast, the market share of the discounters, Aldi and Lidl, has grown from less than 10% in 2012 to just over 26% in 2015, albeit that this will have been boosted by a number of store openings in the intervening period.

### ***Comparison Retail Spending Patterns***

- 4.6 In relation to comparison (non-food) goods the household survey asked residents where they do most of their shopping for six categories of goods; clothing and footwear, electrical appliances, furniture, DIY, health and beauty and recreation (books, CDs and Toys). The shopping patterns across the six categories of goods are then combined to provide an overall picture of shopping patterns which is summarised in Table 4.2 of the NLP Retail Study (reproduced below) The analysis excludes internet/mail order responses and ‘don’t know’/‘don’t buy’ responses.

<b>Centre</b>	<b>Market Share (%)</b>
Birkenhead	16.66
Heswall	2.17
Liscard	2.46
Moreton	1.24
West Kirby	1.86
Bromborough Village	3.93
Hoylake	0.46
Woodchurch Road, Prenton	0.59
Local Centres Combined	6.28
<b>Sub Total</b>	<b>35.66</b>
<b>Other Destinations</b>	<b>Market Share (%)</b>
Croft Retail and Leisure Park	16.93
Bidston (Hoylake Road)	1.66
Junction One Retail, Bidston Moss	0.96
B&Q, Bidston Link Road, Wallasey	4.28
Homebase, Upton Bypass, Upton, Wirral	1.40
Other Destinations in Wirral Borough	7.39

<b>Wirral Borough Total</b>	<b>68.28</b>
Cheshire Oaks	4.06
Chester	4.74
Liverpool	18.11
Other Outside Borough	4.82
<b>Leakage</b>	<b>31.72</b>

- 4.7 The survey results indicate that over two thirds (68.28%) of the comparison (non-food) retail expenditure generated by Wirral residents is retained within the Borough. This represents a small reduction on the 70.8% recorded in the 2012 update (based upon a 2009 survey of shopping patterns).
- 4.8 Compared with the 2012 update (based on the 2009 shopping survey), the market share of Birkenhead Town Centre has reduced considerably from nearly 28% to just under 17% and the combined market share of centres in the Borough has fallen from in excess of 43% to under 36%. By contrast the market share of out-of-centre destinations in the Borough has increased from about a quarter of all comparison retail expenditure to in excess of 32%. Significantly, Birkenhead Town Centre's market share of 16.66% is now exceeded by the Croft Retail and Leisure Park, with a market share of 16.93%, a figure which NLP consider could be higher still, due to a potential over-recording of expenditure attributed to Bromborough Village District Centre by respondents to the telephone survey. There is also a significant drop in the market share at Liscard Town Centre, which only attracted a 2.46% market share and the 16 local centres which have a combined market share of just over 6% of Borough comparison retail goods spending.
- 4.9 In relation to the 31.72% of expenditure which 'leaks' out of the Borough, Liverpool remains the main destination accounting for 18.11% of this 'leakage' (up from 14.2% in 2012), with Cheshire Oaks and Chester accounting for 4.06% and 4.74% of expenditure respectively. Whilst the growth in Liverpool's market share is reflective of the increased offer in the city following the opening of Liverpool One, the increase over the six year period to 2015 is less pronounced than the growth in performance at out-of-centre retail destinations within Wirral.

## Leisure

- 4.10 The household survey also included questions asking respondents where they went most frequently to a range of different commercial leisure uses. Table 7.1 in the report (reproduced below) summarises survey results in the leisure sector.

Activity	Market Share (Rank 1)	Market Share (Rank 2)	Market Share (Rank 3)
<b>Restaurants</b>	Liverpool -19.30%	Heswall - 9.27%	West Kirby -5.26%
<b>Pubs/Bars/Nightclubs</b>	Liverpool – 12.67%	Heswall – 4.40%	Wallasey Village – 4.03%
<b>Cinema</b>	Marine Point, New Brighton – 22.85%	Croft Retail and Leisure Park – 11.13%	Birkenhead Town Centre – 5.47%
<b>Family Entertainment (inc. ten-pin bowling)</b>	Marine Point, New Brighton – 11.37%	Croft Retail and Leisure Park – 7.53%	Cheshire Oaks Ellesmere Port – 4.12%

<b>Bingo/Casino</b>	Marine Point, New Brighton – 6.74%	Birkenhead Town Centre – 2.76%	Croft Retail and Leisure Park – 1.49%
<b>Theatres/Concerts /Live Music</b>	Liverpool – 50.93%	Marine Point, New Brighton – 6.08%	Manchester – 2.22%
<b>Museums and Art Galleries</b>	Liverpool – 55.90%	Port Sunlight – 2.47%	Central London – 1.53%
<b>Health and Fitness</b>	West Kirby – 4.07%	Birkenhead Town Centre – 2.60%	Croft Retail and Leisure Park – 2.15%

- 4.11 The results show the domination of New Brighton and the Croft Retail and Leisure Park as leisure destinations in the Borough and Liverpool outside the Borough for concerts and museums/art galleries. It should be noted that the telephone survey took place before the closure of the Grosvenor Casino in New Brighton in July 2015.
- 4.12 NLP concludes that there is no immediately obvious shortfall in leisure provision in the Borough. It seems unlikely that any intervention could lead to a shift away from Liverpool's dominance in the theatre/concert/museum/art gallery sector.

## 5.0 RETAIL CAPACITY ASSESSMENT

- 5.1 An important element of the NLP Retail Study is quantifying the need for new convenience and comparison retail floorspace in the Borough. The convenience and comparison market shares recorded by the NEMS household survey are applied to the most up-to-date population and expenditure data to assess current retail capacity at 2015 and to project forward potential capacity for additional retail floorspace to 2020, 2025 and 2030. Capacity is identified both at a Borough-wide level and disaggregated down to the main town and district centres in the Borough. NLP indicate that identified capacity beyond 2020 should however, be viewed with some caution as there is little certainty over long term economic performance and prosperity.
- 5.2 A key change in the baseline position cited by NLP is that the spending power of the study area population is assessed to be considerably greater than predicted in the 2012 update - (some £650m at 2015 in the 2015 study compared with approximately £590m at 2015 in the 2012 update). A major contributory factor for this difference is that the 2011 Census shows a significant increase in the resident population (at 2015) from a predicted 307,000 in the 2012 update (based upon the 2001 Census) to a predicted 321,000 in the NLP Retail study. The NLP Retail study utilises the same population data used in the 2016 Strategic Housing Market Assessment, also produced for the Council by NLP.
- 5.3 Proposals that come forward in the future will reduce the overall capacity for new retail floorspace. At the time of undertaking the NLP Retail Study, there were no commitments for significant retail floorspace in the Borough, other than Wirral Waters. The latter has a 23 year outline planning permission for a level of economic and housing growth to meet a strategic or potentially regional need, with 30,000 sq. m (gross) of A1 floorspace tied to the provision of the residential and office elements of the scheme to meet the need of that wider development (rather than the requirements of the existing community). Given this, and that the timetable for delivery is uncertain, NLP are of the view that Wirral Waters cannot sensibly be factored into a conventional district-level retail capacity assessment.

## **Borough-wide Convenience Retail Goods Capacity**

- 5.4 The approach to identifying convenience retail capacity compares the survey-derived turnover of convenience retail destinations with expected (benchmark) turnover levels, based either on a company average (for named foodstores) or typical sales densities for other floorspace (expressed as turnover/sq. m). Potential capacity for additional floorspace is identified where the survey-derived turnover exceeds the benchmark turnover level, with the difference between the two representing expenditure which could theoretically be diverted to support new floorspace without exposing an existing store to adverse impacts in terms of trading below the company or benchmark average turnovers.
- 5.5 Based the above calculations the NLP Retail Study therefore identifies a Borough-wide expenditure surplus of £133m in the convenience sector at 2015. This translates into capacity for almost 14,000 sq. m net of additional convenience retail floorspace at 2015. Year-on-year growth in convenience retail spending power amongst Wirral residents could see the capacity for additional convenience retail floorspace grow to nearly 20,000 sq. m over the period to 2030. This surplus is in stark contrast with the 2012 study which considered that there was no quantitative need to plan for new convenience provision across the Borough in the Core Strategy Plan period to 2030. NLP consider that the reasons for the divergence between the two studies is down to the significant uplift in the spending power of the population discussed in 5.2 above, the higher rate of retention of spend in the Borough identified from the household survey and other more up-to-date data on the performance of the retailers as well as some differences in the inputs used.

## **Borough-wide Comparison Retail Goods Capacity**

- 5.6 The approach adopted in the calculation of comparison capacity is broadly consistent with the approach in the convenience sector. The main difference is that comparison floorspace in the Borough is assumed to be trading at the survey-derived turnover and there is no surplus in spending to support additional floorspace in the base year. This is because it is not feasible to 'benchmark' the performance of comparison floorspace against company average turnovers in the same way as the convenience sector, as the number of different national chains and independent retailers in the comparison sector is much higher. As such, it is year-on-year growth in retail spending that generates capacity over the period to 2030. Allowances are also made for the more efficient use of existing floorspace by retailers and the impact of internet shopping.
- 5.7 On the basis of the calculations the NLP Retail Study identifies a Borough-wide expenditure surplus at 2020 of £7.2 million, equivalent to approximately 1,500 sq. m net of additional comparison retail floorspace. The long term surplus across Wirral (£48.5 million to 2025 and £104.9 million to 2030) could see the capacity rise to 8,500 sq. m net by 2025 and 16,676 sq. m by 2030. By contrast the 2012 study calculated an expenditure surplus of £43m at 2020. The differences are down to higher percentage deductions to account for growth in internet shopping (which does not generate capacity for additional retail floorspace) and the more efficient use of existing floorspace.

## Capacity by Centre

- 5.8 In addition to the Borough-wide capacity calculations, the NLP Retail study provides disaggregated assessments for Birkenhead, Heswall, Liscard, Moreton, West Kirby, Bromborough Village, Hoylake and Woodchurch Road, Prenton. Capacity for other local centres in the Borough is given as a single figure on the expectation that planning for growth in existing (or for new) local centres is best achieved through a consideration of: qualitative deficiency, evidence of over-trading and where intervention would achieve greatest benefit. Capacity for each centre (and the local centres collectively) is calculated by dividing the growth in expenditure attributable to that centre, assuming a constant market share, by a typical sales density which reflects the varying scales and format of the retailing likely to be attracted to each centre.
- 5.9 Table 7.1 in the NLP Retail Study (reproduced below) summarises the position in relation to convenience floorspace capacity by centre:

Centre	Convenience Capacity (sq m net)			
	At 2015	By 2020	By 2025	By 2030
Birkenhead	1,630	1,943	2,327	2,725
Heswall	1,873	2,026	2,214	2,409
Liscard	2,319	2,526	2,780	3,043
Moreton	851	1,008	1,201	1,401
West Kirby	1,765	1,879	2,019	2,164
Bromborough Village	270	297	331	366
Hoylake	-	-	-	-
Woodchurch Rd, Prenton	3,499	3,684	3,910	4,145
Local Centres	3,156	3,586	4,113	4,660

- 5.10 The assessment shows there is potential capacity for new convenience retail floorspace in all centres with the exception of Hoylake, where it was found that under-performance of existing convenience retail floorspace negates any capacity for additional provision. In relation to the local centres as a whole, the capacity for convenience floorspace over the plan period appears considerable; but this is in the context of there being a network of 16 local centres. Intervention in ten locations, for example, would provide scope for a series of food stores to serve local needs and promote sustainable patterns of top-up shopping across the Borough.
- 5.11 Table 7.2 of the report (reproduced below) summarises the position in relation to comparison floorspace capacity by centre. As it is assumed that comparison floorspace in the Borough is trading at the survey-derived turnover and there is no surplus in spending to support additional floorspace in the base year (paragraph 5.6 of this report refers), capacity for additional floorspace is only identified from 2020 onwards.

Centre	Comparison Capacity (sq m net)			
	At 2015	By 2020	By 2025	By 2030
Birkenhead	-	762	4,552	8,694
Heswall	-	51	302	576
Liscard	-	179	1,069	2,042
Moreton	-	100	597	1,140
West Kirby	-	43	259	494

Bromborough Village	-	104	623	1,191
Hoylake	-	12	73	140
Woodchurch Rd, Prenton	-	16	94	180
Wallasey Village	-	51	307	587
Grange Road West	-	47	280	534
Other local centres	-	96	575	1098

5.12 Significant capacity is identified for new comparison retail floorspace in Birkenhead, which provides scope for a sizeable extension of the town centre and/or uplift in the performance of existing retail floorspace. In Liscard, Moreton and Bromborough Village there is capacity to support small scale interventions. There is no significant capacity for new comparison retail floorspace identified in the other town or district centres over the Core Strategy plan period. The only local centres where significant comparison capacity was identified are Wallasey Village and Grange Road West with capacity across all the other local centres limited to 1,000 sq. m over the Core Strategy period. NLP suggest this level of capacity provides scope for selective intervention to improve comparison retail provision in local communities where there is greatest demonstrable qualitative need.

## 6.0 PLANNING IMPLICATIONS

6.1 Paragraph 23 of the NPPF states that local planning authorities should plan to meet in full the need for additional retail, leisure, office and other main town centre uses over the development plan period. When planning for growth in their town centres, LPAs should allocate a range of suitable sites to meet the scale and type of town centre uses needed, including new retail and leisure floorspace. It is important that the needs for retail and other main town centre uses are met in full and not compromised by limited site availability.

### *Convenience Sector*

6.2 The household survey results show that the proportion of convenience retail expenditure retained across the eleven sub-zones that make up the study area is consistently high, indicating that Wirral residents are well provided for in the food retail sector (at least in terms of supermarket provision). In relation to comparison retailing, the findings show a noticeable decline in the recorded market share of Birkenhead and Liscard, while the market shares of out-of-centre destinations and particularly the Croft Retail and Leisure Park are increasing along with other destinations outside the Borough.

6.3 Significant potential surplus convenience expenditure is identified in the NLP Retail Study, which is translated into capacity for new convenience floorspace, both now and throughout the Plan period. However, there are potential additional considerations that need to be taken into account before new floorspace can be justified. For example, where an existing supermarket in a town centre location is assessed as trading in excess of its company average turnover or benchmark position, the surplus expenditure should not automatically be seen as supporting capacity for additional convenience floorspace (especially where this would be outside the centre). A higher than company average store turnover could be argued to be an acceptable boost to

the vitality and viability and turnover of the town centre as a whole, especially where other convenience stores are trading below benchmark levels. These other stores could absorb some of this surplus expenditure if a change in local shopping habits resulted in a transfer of market share from one operator to another. The case for additional floorspace would, however, be strengthened where there was qualitative evidence that the store trading above its benchmark position is also 'overtrading' - where a store becomes so busy it results in overcrowding and congestion in the store, at check-outs and in the car park, such that its performance is affected as customers decide to shop elsewhere.

- 6.4 An additional consideration is that site availability for additional convenience floorspace is limited in a number of centres. Aside from Birkenhead, the health check assessments summarised in section 5 of the NLP Retail Study identified some opportunities in Liscard, and Prenton (Woodchurch Road), but in Bromborough Village, Heswall, Hoylake, Moreton, and West Kirby there are no sites currently available for redevelopment and no obvious room available for expansion. Redevelopment of existing sites/premises – should they be deemed surplus to requirements – would therefore be necessary in these centres, requiring existing uses to be re-provided elsewhere if needed. Any sites identified, or which come forward, would also need to be identified in a future site-specific Local Plan.

#### *Comparison Sector*

- 6.5 In terms of comparison floorspace, significant capacity in Birkenhead Town Centre for new retail floorspace provides scope for a sizeable extension of the town centre and/or uplift in the performance of existing retail floorspace. NLP consider that the reinvigoration of town centre floorspace in Birkenhead in the configuration required by retail and leisure operators will be a pre-requisite to reversing the apparent decline of the principal shopping centre in Wirral. Local shoppers will only be attracted back to town centre destinations if their overall attractiveness is perceived as on a par with, or better than, other options available within the Borough and the wider sub-region. This provides strong support for the current work being undertaken to bring additional development into Birkenhead Town Centre. Elsewhere, the capacity for comparison floorspace is more limited, which NLP considered could be addressed by extensions to existing floorspace and/or uplift in the performance of existing retail floorspace.
- 6.6 NLP note that while their study is primarily a quantitative capacity update, it is important to make reference to the wider benefits that can be derived from qualitative improvements in retail and leisure provision. If a proposal for retail or leisure development comes forward in excess of capacity projections, this does not necessarily mean the proposal should be refused planning permission. Consideration would need to be given to whether a proposed development is consistent with the role, character and catchment area of the town or area it is intended to serve. NLP consider that it is important that such a qualitative consideration should sit alongside any assessment of whether a proposal is justified in terms of the NPPF sequential approach to site selection and impact tests.
- 6.7 There is nothing in the findings of the NLP Retail Study to suggest that the hierarchy of centres in the Borough proposed in Draft Core Strategy Policy CS25 or the thresholds for the preparation of impact assessments proposed by NLP in 2014 need amending. The thresholds for new floorspace that would trigger a retail impact assessment at

local level were incorporated into an amended draft Core Strategy Policy CS28 and made subject to public consultation alongside amended Policies CS25, CS26 and CS29 between December 2014 and February 2015. It is therefore proposed that these be carried forward into the final Core Strategy Local Plan without any further alteration.

## **7.0 FINANCIAL IMPLICATIONS**

7.1 NLP have undertaken this study under the terms of their appointment as the Council's retained retail consultants in 2013 for a period of five years, following a tender process. The fee was met from the budget for Regeneration and Planning held for the study.

## **8.0 LEGAL IMPLICATIONS**

8.1 The NLP Retail Study will inform the consideration of future planning applications and forms part of the evidence base for the Core Strategy Local Plan, which must be prepared in line with a process set out in national legislation and can only be adopted by the Council if it is found to be legally compliant and 'sound' by a Planning Inspector appointed by the Secretary of State.

## **9.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

9.1 The management of the retained retail consultancy is undertaken by the Council's Forward Planning team.

## **10.0 RELEVANT RISKS**

10.1 A failure to comply with the requirements of national policy can be fatal to the legal compliance and soundness of the Core Strategy.

10.2 Failure to have a Local Plan in place by March 2017 could lead to intervention by the Secretary of State under new powers introduced by the Housing and Planning Act 2016, including potential financial penalties, including the withdrawal of some or all, of the Council's annual award of New Homes Bonus.

## **11.0 CONSULTATION/ENGAGEMENT**

11.1 Consultation on the emerging Core Strategy Local Plan and the associated evidence base (including the NLP Retail study) will be undertaken in line with the Council's statutory Statement of Community Involvement approved in 10 March 2014. Amended draft Core Strategy Policies CS25, CS26, CS28 and CS29 were subject to public consultation between December 2014 and February 2015.

## **12.0 EQUALITIES IMPLICATIONS**

12.1 The emerging Core Strategy Local Plan has been subject to ongoing Equality Impact Assessment.

12.2 Results of previous Equality Impact Assessments prepared at each stage in the preparation of the Core Strategy can be viewed at <http://www.wirral.gov.uk/planning-and-building/local-plans-and-planning-policy/local-plans/core-strategy-local-plan-0>

- 12.3 A revised Equality Impact Assessment will be presented alongside the proposals to be included in the final Core Strategy Local Plan.

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### **APPENDICES**

The following appendices are available in the Council's Document Library which can be accessed [Here](#)

Appendix 1

Wirral Retail and Leisure Study Update (Main Report)

Appendix 2

Wirral Retail and Leisure Study Update (Appendices)

### **REFERENCE MATERIAL**

The 2009 Strategy for Town Centres, Retail and Commercial Leisure can be viewed here:

<http://democracy.wirral.gov.uk/ecSDDisplay.aspx?NAME=SD416&ID=416&RPID=194919&sch=doc&cat=12848&path=12848>

The 2012 Retail Study update can be viewed here:

<http://democracy.wirral.gov.uk/ecSDDisplay.aspx?NAME=SD826&ID=826&RPID=1000281489&sch=doc&cat=13213&path=12848%2c13202%2c13213>

Consultation on Further Proposed Modifications to the Core Strategy (December 2014) can be viewed here:

<http://www.wirral.gov.uk/planning-and-building/local-plans-and-planning-policy/local-plans/core-strategy-local-plan/further>

Core Strategy for Wirral, Proposed Submission Draft (December 2012) can be viewed at: <http://www.wirral.gov.uk/my-services/environment-and-planning/planning/local-development-framework/core-strategy-development-plan>

Additional background information relating to the earlier stages in the preparation of the Core Strategy Local Plan can be viewed on the Council's website at

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Delegated Decision - Local Development Framework – Report of Consultation on the Proposed Submission Draft Core Strategy	20 June 2013
Delegated Decision – Local Development Framework for Wirral – Core Strategy Local Plan – Consultation on modifications to policies for Gypsies and Travellers and Policies for Town Centres.	25 November 2014

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**COUNCILLOR BERNADETTE  
MOONEY**

**CABINET**

**Monday, 18 July 2016**

**WIRRAL LOCAL FLOOD RISK  
MANAGEMENT STRATEGY**

**Councillor Bernie Mooney, Cabinet Member for the Environment, said:**

“Flooding has the capacity to impact on everyone in Wirral. It is important that we put in place a local strategy for the management of flood risk for the benefit of all Wirral residents.

‘We witnessed the very difficult circumstances experienced by some of our residents in Wirral in 2015, and this strategy will support our work to continue to improve our management of the risks of flooding so that – in as much as we are able – we manage the risk of similar incidents again.

‘Full consultation has been carried out, and the strategy proposed for Wirral has been endorsed by key stakeholders, including the Environment Agency’

**REPORT SUMMARY**

This Report sets the context for the requirement for a Local Flood Risk Management Strategy (LFRMS) for Wirral, describing how it fits within the Council’s statutory duties under the Flood and Water Management Act (FWMA) 2010.

The Report describes how the LFRMS has been produced and consulted upon. Governance arrangements for the management of flood risk in Wirral, Merseyside and the North West are set out, as are the roles and responsibilities of key Risk Management Authorities (RMAs).

The LFRMS identifies the various types of flood risk and coastal erosion, how these risks are currently managed and strategic principles for managing those flood and erosion risks which will guide the statutory role for Wirral Council as Lead Local Flood Authority (LLFA) in delivering its duties under the FWMA.

The management of flood and coastal erosion risk falls impacts directly on the following Environment Pledges in the Wirral Plan 20/20 Vision:

- **Wirral's neighbourhoods are safe** : Flooding and coastal erosion can increase the risk to life and property. By managing these risks in a strategic manner then the risks to neighbourhoods can be minimised.
- **Wirral residents live healthier lives** : The immediate impact on health following flooding is apparent however for those that live with the risk of flooding or coastal erosion the longer term health effects can be as serious. The LFRMS sets out a strategic approach, including on-going community engagement to allow those at risk to become involved in the management of flood risk.

This matter affects all Wards within the Borough.

This matter is also considered to be a Key Decision and as a consequence of the September 2015 flood event is considered to be high profile and therefore prudent to raise public awareness about the risk of flooding.

## **RECOMMENDATION/S**

Cabinet is requested to approve the Wirral Local Flood Risk Management Strategy and accompanying Action Plan for the future management of flood and coastal erosion risk on Wirral.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1.1 The FWMA identifies new statutory duties for Wirral Council as LLFA. Section 9 of the FWMA requires production of a Local Flood Risk Management Strategy (LFRMS) which sets out how flood risk will be managed at a local level and in the strategic context of the National Strategy for Flood and Coastal Erosion Risk Management in England. Approval of the Wirral LFRMS ensures compliance with this statutory obligation.
- 1.1.2 The LFRMS has identified an Action Plan for future management of flood risk. By approving the Action Plan the Council can work with communities and partners to identify priorities for maximising government investment to deliver sustainable solutions for the delivery of flood risk management.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 Production of a LFRMS is a statutory requirement under the FWMA. No other options were considered.

### 3.0 BACKGROUND INFORMATION

- 3.1 Following the 2007 floods across England, the Flood Risk Regulations 2007 and the Flood and Water Management Act 2010 were introduced by the government to implement the recommendations of the Pitt Review.
- 3.2 The FWMA identified LLFAs to help deliver flood risk management at a local level. Wirral Council is identified as a LLFA in the FWMA.
- 3.3 The FWMA also sets out the national strategic framework for flood risk management. The Environment Agency have developed the National Strategy for Flood and Coastal Erosion Risk Management in England which sets the context for the production of LFRMs under Section 9 of the FWMA by Lead Local Flood Authorities. The National Strategy has the overall aim of ensuring the risk of flooding and coastal erosion is properly managed by using the full range of options in a coordinated way.
- 3.4 Local Flood Risk Management Strategies are high level documents which:
- assess local flood risk
  - identify objectives for managing local flood risk and;
  - identify how objectives can be achieved by utilising existing funding arrangements for flood and coastal erosion risk management
- 3.5 Assessment of Local Flood Risk
- 3.5.1 Wirral's LFRMS provides background information for the assessment of local flood risk initially by defining the roles and responsibilities of the various Risk Management Authorities (RMAs) with flood risk responsibility in Wirral.
- 3.5.2 Wirral Council as LLFA has responsibility for managing flood risk from "local" sources which are defined as flooding from ordinary watercourses, surface water and groundwater.

- 3.5.3 Wirral Council has other RMA responsibilities as Highway Authority, Coast Protection Authority and also as a Local Planning Authority.
- 3.5.4 The Environment Agency is an RMA with a strategic overview role in relation to flooding but it also has specific responsibilities for managing flood risk from main river, the sea and from reservoirs.
- 3.5.5 Sewerage undertakers United Utilities and Dŵr Cymru Welsh Water have RMA responsibility on Wirral for managing flood risk from water supply and sewerage systems.
- 3.5.6 Other internal and external organisations which also contribute to flood risk management are also identified in the LFRMS attached as Appendix 1 to this report.
- 3.5.7 The FWMA identifies a duty for all RMAs to work in partnership to manage flood risk. The Wirral LFRMS sets out the governance arrangements for this partnership working through
- North West Regional Flood and Coastal Committee (RFCC)
  - Merseyside Strategic Partnership
  - Wirral Flood and Water Management Partnership
  - Wirral Operational Flood Group
- These arrangements (from the bottom up) provide the framework for the delivery and monitoring of the LFRMS objectives, consistent working practices across Merseyside for delivery of flood risk management and also the structure for setting funding priorities for the delivery of flood risk management across the north-west.
- 3.5.8 The LFRMS identifies the vulnerability of Wirral to the types of flooding managed by the various RMAs and explains how each source has the capacity to increase flood risk. Section 5 of the LFRMS also identifies the historic and current risk posed by each of these flooding types, and also how this risk is intended to be managed in the future.
- 3.5.9 Prior to the introduction of the FWMA Wirral did not have status as LLFA and there was no requirement to maintain a register of flood risk locations. Some records exist which provide an indication of flood locations however the cause or type of these floods is not always recorded. Strategic planning documents, such as the Shoreline Management Plan, Wirral Coastal Strategy, Catchment Flood Management Plans and Wirral Strategic Flood Risk Assessment have been produced which draw upon these records to provide a picture of historic flood and coastal erosion risk locations.
- 3.5.10 Since the introduction of the FWMA, Wirral Council now has a statutory responsibility to investigate and report upon significant flood events. Wirral's policy for Section 19 Investigations was approved by Cabinet on 12<sup>th</sup> April 2012. There is a requirement to make the investigation reports publically available. These reports and underlying database of flood events now forms the basis for the definition of high flood risk locations in Wirral.  
The publically available reports can be found on the Wirral internet site at :

3.5.11 In addition the Wirral Coastal Strategy, approved by Cabinet in October 2012, identifies coastal areas on Wirral which are at risk of tidal flood and coastal erosion within 20 years.

3.5.12 Wirral's LFRMS identifies the current arrangements by the relevant RMAs to manage their respective flood risk across Wirral. The governance arrangements identified above allow for each RMA to fulfil their statutory responsibility for working in partnership and the LFRMS also acknowledges the requirement to consider and account for climate change when managing flood risk.

### 3.6 Objectives for Managing Local Flood Risk

3.6.1 The overall aim of the LFRMS is for Wirral Council, through its flood and coastal erosion activities and its on-going partnerships, to manage the local risk to people and their property through the following 5 Objectives:

**Objective 1:** Understand the local risks of flooding and coastal erosion, working together with partners, other risk management authorities, organisations and the community to identify the causes and put in place long-term plans to manage these risks and make sure that other plans take account of them;

**Objective 2:** Ensure that the guiding principles for sustainable development are applied and inappropriate development is avoided in existing and future areas at risk of flood and coastal erosion while elsewhere, carefully managing other land to avoid increasing the risks;

**Objective 3:** Where financially viable, build, maintain and improve local flood and coastal erosion management infrastructure and systems to mitigate or reduce the likelihood of harm to people and damage to the economy; environment (natural, historic, built and social) and society as a whole;

**Objective 4:** Increase public awareness of the effects of climate change and the implications for an increase in flood risk, engage with people specifically at risk of flooding, to encourage them to take action to manage and/or mitigate the risks that they face and to make their property more resilient;

**Objective 5:** Support and assist those bodies responsible for improving the detection, forecasting and issue of warnings of flooding. Plan for and co-ordinate a rapid response to flood emergencies and promote faster recovery from flooding.

3.6.2 The LFRMS includes an Action Plan which sets out a number of measures required for the delivery of the Objectives. The Action Plan is included as Appendix 2 to this report.

3.6.3 Wirral's Operational Flood Group is a partnership between the various RMAs at Wirral Council, the Environment Agency and the sewerage undertakers of United Utilities and Dŵr Cymru Welsh Water. This group will oversee the delivery of the

Action Plan by the each respective RMA. Progress of the delivery of the Action Plan will be monitored by the Wirral Flood and Water Management Partnership and also subject to scrutiny through Wirral's Overview and Scrutiny – Environment Committee.

### 3.7 Achievement of Objectives through delivery of Flood Risk Management

- 3.7.1 The FWMA sets out duties for Wirral, as LLFA which will enable it to manage local flood risk and deliver the objectives of the LFRMS.
- 3.7.2 Section 19 of the FWMA requires the LLFA to undertake an investigation and make a report publically available when a significant flooding event occurs. A consistent approach to the definition of “significant” is in place and the policy defining the Section 19 investigation is attached as an Appendix to the LFRMS.
- 3.7.3 Eight Section 19 Reports have now been published and these form the basis for the definition of high risk flooding locations in Wirral. The Section 19 reports all contain recommendations for the improvement of flood risk management and delivery of these recommendations through an Action Plan is also through the relevant RMAs that form Wirral's Operational Flood Group.
- 3.7.4 The most recent Section 19 Report covered the period August and September 2015 when widespread surface water, fluvial and sewer flooding occurred on Wirral. The Action Plan to deliver the recommendations of this report will also be developed by the Operational Flood Group and monitored by Wirral's Flood and Water Management Partnership.
- 3.7.5 Since April 2015, Wirral, as LLFA, has been a statutory consultee on the management of surface water for major Planning Applications. This requires the LLFA to work within the planning framework supported by the application of the Non-Statutory Technical Standards for Sustainable Drainage to reduce the risk of surface water flooding as a result of development. Furthermore at a local level the LLFA is working closely with the Local Planning Authority in developing appropriate policies for managing flood risk in Wirral through the emerging Wirral Local Plan.
- 3.7.6 The FWMA through amendments to the Land Drainage Act 1991, allocates responsibility to LLFAs for the management of fluvial flood risk from ordinary watercourses. Ordinary watercourses are generally smaller ditches and rivers whilst main rivers are larger “named” rivers for which the Environment Agency has flood risk management responsibility. Fluvial flood risk is managed through consenting and enforcement activities. Consents are required from LLFA for works to ordinary watercourses which have the ability to increase flood risk. LLFAs can also take staged enforcement action against the owners of ordinary watercourses where lack of maintenance has resulted in an increase in flood risk.
- 3.7.7 The Environment Agency has similar responsibilities for managing flood risk from main rivers through the issue and enforcement of environmental permits.
- 3.7.8 The LFRMS identifies the statutory responsibility to maintain a Flood Risk Asset Register. By producing and maintaining this register, features which have the

capacity to significantly increase flood risk are identified and lead to an improved understanding of the management of local flood risk.

3.7.9 Dŵr Cymru and United Utilities have responsibility for managing flood risk from sewers in Wirral. A partnership approach which leads to sharing of information and improved understanding is delivered through the Wirral Operational Flood Group. As RMAs, the sewerage undertakers' activities can be investigated through the FWMA Section 19 process during a significant flood event and recommendations for improved management of flood risk from sewers are agreed as part of this process.

3.7.10 The risk management activities identified above all lead to an improved understanding of local flood risk on Wirral. The LFRMS acknowledges that through Section 19 investigations areas at high risk of flooding can be identified, however further work is required, particularly into the investigation of surface water systems, to be able to understand the interaction between differing flooding sources and the economic damages that can be offset by improved flood risk management.

3.7.11 The Department for Environment Food and Rural Affairs provides grant aid funding for flood risk management which is administered through the Environment Agency. The EA forecasts this expenditure on flood risk management through its 6-Year Investment Programme which is updated on an annual basis. Wirral, as LLFA provide an annual update for all flood and coastal erosion risk management activities that have the ability to be funded by grant aid. The current lack of detailed knowledge around surface water flood risk is addressed by a proposal to undertake further investigation, study and modelling of surface water features in order to identify priority areas for further bids for investment in future. The priorities for the management of tidal flooding and coastal erosion identified in the Wirral Coastal Strategy are included a future schemes in the 6-Year Investment Programme.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 Since 2011, Wirral Council as LLFA, has received funding to carry out its duties under the Flood and Water Management Act. The production of Wirral's LFRMS is a requirement under Section 9 of the Act.

4.2 In March 2016 Defra wrote to all LLFAs confirming continuation of the funding to March 2020, with the administrative arrangements identifying the funding as part of the Revenue Support Grant payable by the Department of Communities and Local Government.

4.3 The delivery of the LFRMS objectives is primarily through the funded activities of LLFAs, however where additional investment for studies or schemes is identified these will be subject to bids for grant aid administered by the Environment Agency supported by partnership funding through Local Levy and funding contributions from other RMAs.

#### **5.0 LEGAL**

5.1 Section 9 of the FWMA requires LLFAs to produce a Local Flood Risk Management Strategy for each area. Wirral Council is identified as a LLFA in the FWMA. By producing a LFRMS Wirral, as LLFA, is fulfilling its statutory obligations under the Act.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 The production of the Wirral LFRMS has been undertaken by staff within the Regeneration and Environment directorate engaged in delivering FWMA duties.

6.2 Similarly the other FWMA functions required to deliver the objectives of the LFRMS will also be undertaken by staff within the Regeneration and Environment directorate.

## **7.0 RELEVANT RISKS**

7.1 It must be demonstrated to the Environment Agency that bids for investment form part of an agreed strategy for the management of flood and coastal erosion risk. Failure to agree the Wirral Local Flood Risk Management Strategy may jeopardise Wirral's ability to successfully bid and secure grant aid for the improved management of flood risk.

## **8.0 ENGAGEMENT / CONSULTATION**

8.1 The draft Local Flood Risk Management Strategy Consultation was open to consultation with the public and key stakeholders in February and March 2015. The draft LFRMS was made available on the Wirral internet site and all entries on the register of flooded properties identified through Section 19 investigations were contacted directly to advise of the consultation. Key stakeholders contacted directly included the RMAs within Wirral Council, the Environment Agency, United Utilities and Dŵr Cymru Welsh Water . All consultation responses have been considered and the draft LFRMS updated or amended as appropriate. Consultation responses and the actions taken are included in the Consultation Report to the LFRMS.

8.2 Statutory consultation was undertaken with Natural England and the Environment Agency on the development of the Strategic Environmental Assessment, Compliance with the Water Framework Directive and also compliance with Habitat Regulations.

8.3 In November 2015 Defra wrote to all LLFAs requesting that public consultation on LFRMS should be completed by the end of 2015 with the finalised LFRMS published by the end of March 2016. A response was submitted to Defra highlighting on-going statutory consultation with Natural England on the LFRMS Habitat Regulations Assessment and the intention to finalise and publish the LFRMS at soon as this consultation was complete. A letter of comfort was received from Natural England on 9<sup>th</sup> May 2016 which is included in the Consultation Report to the LFRMS.

## **9.0 EQUALITY IMPLICATIONS**

9.1 The potential impact of approving the Wirral Local Flood Risk management Strategy has been undertaken and the impact review is attached. The review can be found at <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

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**APPENDICES**

- Appendix 1 Wirral Local Flood Risk Management Strategy
- Appendix 2 Action Plan to Wirral LFRMS

**REFERENCE MATERIAL**

The National Flood and Coastal Erosion Risk Management Strategy for England (Environment Agency) May 2011

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date
<b>Cabinet Member Briefing Report – Environmental Protection</b> Flood & Water Management Act : Significant Flood Investigation : August 22 <sup>nd</sup> to September 2 <sup>nd</sup> 2015	<b>23 May 2016</b>
<b>Cabinet Member Report – Environment &amp; Sustainability</b> Wirral Local Flood Risk Management Strategy – Approval To Go To Consultation	<b>6 January 2015</b>
<b>Sustainable Communities Overview &amp; Scrutiny Committee</b> (Minute 56 - Progress Report on the Implementation by Wirral of the Flood Risk Regulations	<b>29 January 2013</b>

2009 and the Flood and Water Management Act 2010)	
---	--

# Equality Impact Assessment Toolkit

## (April 2014)

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

**EIA lead Officer:** Rob Clifford

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

**Head of Section:** Mark Smith

**Chief Officer:**

**Directorate:** Regeneration and Environment

**Date:** 15 June 2016

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

Approval of Wirral's Local Flood Risk Management Strategy

### **Section 2a: Will this EIA be submitted to a Cabinet or Policy & Performance Committee? No**

**Yes / No**

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

**No.....**

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

**Regeneration & Environment** (Environment & Regulation, Housing & Community Safety, Regeneration)

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

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

- Services**
- The workforce**
- Communities**
- Other** Partners and Key Stakeholders

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 [engage@wirral.gov.uk](mailto:engage@wirral.gov.uk) for publishing)

**Section 4:**

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

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

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

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
Disability	Potential positive – helps maintain acceptable standard of safety and access. Actions to manage flood and coastal erosion risk.	n/a	n/a	n/a	n/a

**Section 4a: Where and how will the above actions be monitored?**

Potential positive so no actions required

**Section 4b: If you think there is no negative impact, what is your reasoning behind this?**

The Wirral Local Flood Risk Management Strategy identifies management actions to reduce flood and erosion risk to all groups.

**Section 5: What research / data / information have you used in support of this process?**

Wirral Local Flood Risk Management Strategy

**Section 6: Are you intending to carry out any consultation with regard to this Council proposal?**

~~Yes~~/ No – (please delete as appropriate)

If 'yes' please continue to section 8.

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

Consultation has already taken place with key stakeholders and the public on the draft Local Flood Risk Management Strategy

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

**Section 7: How will consultation take place and by when?**

Before you complete your consultation, please email your preliminary EIA to [engage@wirral.gov.uk](mailto:engage@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is

meeting it's legal publishing requirements. The EIA will need to 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 4. Then email this form to your Chief Officer who needs to email it to [engage@wirral.gov.uk](mailto:engage@wirral.gov.uk) for publishing.

**Section 8: Have you remembered to:**

- a) **Select appropriate directorate hyperlink to where your EIA is/will be published (section 2a)**
- b) **Include any potential positive impacts as well as negative impacts? (section 4)**
- c) **Send this EIA to [engage@wirral.gov.uk](mailto:engage@wirral.gov.uk) via your Chief Officer?**
- d) **Review section 4 once consultation has taken place and sent your updated EIA to [engage@wirral.gov.uk](mailto:engage@wirral.gov.uk) via your Chief Officer for re-publishing?**

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# Local Flood Risk Management Strategy

July 2016



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## **Executive Summary**

Wirral Council is the Lead Local Flood Authority (LLFA) for the Wirral borough area and undertakes the flood and coastal erosion risk management functions as described in Sections 4 and 5 of Part 1 of the Flood and Water Management Act (FWMA) 2010. Wirral Council is also the Highway Authority and Local Planning Authority; the Land Drainage body, in accordance with the Land Drainage Act 1991, and the Coastal Defence operating authority, although the latter two are operated under permissive powers.

The FWMA placed a requirement for the Environment Agency (EA) to develop a National Strategy for Flood and Coastal Erosion Risk Management in England. This Strategy provides a framework for the work of all LLFA's and sets out the long-term national objectives for managing flood and coastal erosion risks. It sets the context for and informs the production of Local Flood Risk Management Strategies (LFRMS) by the LLFA's. These local strategies in turn provide the framework for the delivery of local improvements needed to manage local flood risk. They also aim to encourage more effective risk management by enabling people, communities, business and the public sector to work together.

### ***What is risk?***

Local flood and coastal erosion risk is flood risk from the sea; groundwater; rivers, ordinary watercourses (which includes a lake or pond or other areas of water which flows into an ordinary watercourse) and surface runoff.

### ***Historical Flood Risk on Wirral***

Records suggest that local flooding has occurred in the past but only recent incidents could be classed as significant. The majority of the flooding in the past was mainly isolated, external to property, or restricted to the highway, open space and farmland.

However, a number of rainfall and coastal storm surge events have occurred since 2011 flooding some 221 properties. The flooding resulting from a combination of factors, including overtopping of coastal defences; and an incapacity within the public sewerage, the highway or land drainage systems to deal with what were sometimes extreme events.

### ***Future Flood Risk***

Additionally, the risk of future flooding to properties following the effects of climate change has established that some 13100 properties within the Wirral could be at risk following a 1in 200 year rainfall event, although there is only a 0.5% chance of it occurring in any one year.

Wirral Council will, through its flood and coastal erosion activities and its ongoing partnerships, manage the local risk to people and their property through the following objectives:

**Objective 1:** Understand the local risks of flooding and coastal erosion, working together with partners, other risk management authorities, organisations and the community to identify the causes and put in place long-term plans to manage these risks and make sure that other plans take account of them;

**Objective 2:** Ensure that the guiding principles for sustainable development are applied and inappropriate development is avoided in existing and future areas at risk of flood and coastal erosion while elsewhere, carefully managing other land to avoid increasing the risks;

**Objective 3:** Where financially viable, build, maintain and improve local flood and coastal erosion management infrastructure and systems to mitigate or reduce the likelihood of harm to people and damage to the economy; environment (natural, historic, built and social) and society as a whole;

**Objective 4:** Increase public awareness of the effects of climate change and the implications for an increase in flood risk, engage with people specifically at risk of flooding, to encourage them to take action to manage and/or mitigate the risks that they face and to make their property more resilient;

**Objective 5:** Support and assist those bodies responsible for improving the detection, forecasting and issue of warnings of flooding. Plan for and co-ordinate a rapid response to flood emergencies and promote faster recovery from flooding.

### ***Strategic Environmental Assessment***

The LFRMS has been subject to a Strategic Environmental Assessment (SEA) which is a statutory assessment process, requiring consideration of the effect on the environment of all plans and programmes. Its aim is to identify any significant environmental effects that are likely to result from the implementation of the LFRMS. The findings of the assessment are presented in an environmental report that is consulted upon, with the public, alongside a draft of the LFRMS.

The findings of the draft SEA Report has been taken into account in the preparation of this draft strategy

***Action Plan***

The Strategy will be delivered through an Action Plan which will:-

- Identify options for managing flood risk as a result of
  - partnership working with other Risk Management Authorities
  - investigation to understand current flood risk interaction

The Action Plan will require Wirral Council as LLFA to work with partners to

- manage flood risk through delivery of its statutory responsibilities under the Flood and Water Management Act
- work with communities to help make them more flood aware, flood prepared and flood resilient.

## **1. Introduction**

### **1.1 The Wirral**

The Wirral Peninsula is set between the River Dee and the River Mersey, extending into Liverpool Bay and the Irish Sea and overlooking both the Welsh Hills and the Liverpool skyline. It has a rich cultural and maritime heritage with a legacy of picturesque country villages, medieval hamlets and buildings, a wide variety of private and municipal golf courses, including the world famous Links course, Royal Liverpool Golf Club and a number of operating ports and 25 miles of unspoilt coastline with three of the five recommended good beaches in the North West. It has a well-connected transport system, with both rail and motorway links to the main national networks. It is also home to several protected coastland parks, preserving some of the finest coastal scenery in Britain. There is also an unusual array of wildlife, from migratory birds to colonies of grey seals.

### **1.2 Background**

Following the 2007 summer floods, Sir Michael Pitt published his review of the response by the responsible parties, setting out 92 recommendations to be addressed. Government accepted these recommendations and announced its intention to introduce a Floods & Water Bill in order to respond to them.

This resulted in two key pieces of legislation;

#### **1. Flood Risk Regulations (FRR) 2009**

These regulations transpose the EU Floods Directive into UK law and made County and Unitary Councils Lead Local Flood Authorities (LLFAs) with primary responsibility for managing local flood risk. Additionally, they imposed duties on the risk management authorities to co-operate to:

- Prepare preliminary assessment reports about past floods and identify areas of significant risk.
- Prepare flood risk maps and flood hazard maps for any areas identified as having a significant risk of flooding.
- Prepare flood risk management plans, to include objectives for managing the flood risk and proposals for how this will be achieved.

#### **2. Flood & Water Management Act (FWMA) 2010**

The FWMA aims to improve both flood risk management and the way water resources are managed. It creates clearer roles and responsibilities and instils a more risk-based approach. There is a new lead role for local authorities in managing local flood risk and a strategic overview role for all flood risk for the Environment Agency.

Collectively this framework created clear roles and responsibilities for bodies that manage flood risk and instilled a more risk based approach to managing that risk.

### **1.3 National Strategy for Flooding and Coastal Erosion Risk Management**

The FWMA gives the Environment Agency a national strategic overview role for flood risk management. The Environment Agency has produced a National Strategy for Flooding and Coastal Erosion Risk Management (the National Strategy) as part of their national strategic role.

The FWMA placed a requirement for the Environment Agency (EA) to develop the National Strategy for Flood and Coastal Erosion Risk Management in England. This strategy provides a framework for the work of all LLFA's.

The National Strategy sets out the long-term objectives for managing flood and coastal erosion risks and the measures to achieve them. It sets the context for and informs on the production of local flood risk management strategies by the LLFA. These local strategies in turn provide the framework for the delivery of local improvements needed to help communities to manage local flood risk. They also aim to encourage more effective risk management by enabling people, communities, business and the public sector to work together.

### **1.4 Local Flood Risk Management Strategy (LFRMS)**

Wirral Council is the Lead Local Flood Authority (LLFA) for the Wirral borough area and undertakes the flood and coastal erosion risk management functions as described in Sections 4 & 5 of Part 1 of the Flood and Water Management Act 2010 (FWMA).

The Flood & Water Management Act also included a number of measures and responsibilities for the LLFA, which includes the production of a Local Flood Risk Management Strategy (LFRMS) A Local Flood Risk Management Strategy is a requirement under Section 9 of the FWMA for all lead local flood authorities to set out how local flood risks will be managed, who will deliver them and how they will be funded.

## 2. Aim & Objectives

Wirral Council as the LLFA will work with its partners, other flood risk management authorities, individuals, communities and organisations to reduce the threat of flooding and coastal erosion. It will achieve this through the aim and objectives set out in this strategy.

**The aim of the local strategy is to ensure that the overall context of the National Strategy is met through Wirral's management of local flood and coastal erosion risk.**

The Council will, through its flood and coastal erosion activities, manage the local risk to people and their property through the five key objectives set out below.

**Objective 1:** Understand the local risks of flooding and coastal erosion, working together with partners, other risk management authorities, organisations and the community to identify the causes and put in place long-term plans to manage these risks and make sure that other plans take account of them;

**Objective 2:** Ensure that the guiding principles for sustainable development are applied and inappropriate development is avoided in existing and future areas at risk of flood and coastal erosion while elsewhere, carefully managing other land to avoid increasing the risks;

**Objective 3:** Where financially viable, build, maintain and improve local flood and coastal erosion management infrastructure and systems to mitigate or reduce the likelihood of harm to people and damage to the economy; environment (natural, historic, built and social) and society as a whole;

**Objective 4:** Increase public awareness of the effects of climate change and the implications for an increase in flood risk, engage with people specifically at risk of flooding, to encourage them to take action to manage and/or mitigate the risks that they face and to make their property more resilient;

**Objective 5:** Support and assist those bodies responsible for improving the detection, forecasting and issue of warnings of flooding. Plan for and co-ordinate a rapid response to flood emergencies and promote faster recovery from flooding.

The delivery of these objectives will be monitored through our Action Plan which can be found attached as an appendix to this Strategy.

## **3. Flood Risk Management Authorities: Roles & Responsibilities**

### **3.1 Wirral Council**

Wirral Council is the Lead Local Flood Authority (LLFA) for the Wirral borough area and its primary purpose is to manage flood risk from local sources of flooding; defined as flooding from surface water, groundwater or ordinary watercourse sources.

Wirral Council is also the Highway Authority, Local Planning Authority and Coastal Protection Authority.

- **Highway Authority** - Wirral Council has the lead responsibility for providing and managing highway drainage and roadside ditches under the Highways Act 1980. The Council is the Land Drainage Body for consenting and enforcement activities on ordinary watercourses, in accordance with the Land Drainage Act 1991.
- **Local Planning Authority** – In this capacity, Wirral Council has a duty to prepare and adopt an up-to-date Local Plan for the area and also to determine planning applications in accordance with planning legislation and regulation.
- **Coastal Protection Authority** – Wirral Council has responsibilities for managing flood risk from the sea under the Coast Protection Act 1949.

### **3.2 Environment Agency**

The Environment Agency is an executive, non-departmental public body responsible to the Secretary of State for Environment, Food and Rural Affairs. Its principal aims are to protect and improve the environment, and to promote sustainable development.

The Environment Agency has an overarching strategic overview role of all sources of flooding and is also the responsible risk management authority in relation to flooding from main rivers, the sea and reservoirs and also includes taking the lead role in coastal erosion risk management.

### **3.3 United Utilities and Dŵr Cymru (Welsh Water)**

United Utilities and Dŵr Cymru (Welsh Water) are the water and sewerage companies for the Wirral area and hold an appointment and licence, under the Water Industry Act 1991, to have regard to local strategies. United Utilities and Dŵr Cymru are the responsible risk management authorities for managing the risks of flooding from their water supply, surface, foul or combined sewer systems.

Other risk management functions include for planning the future development and maintenance of its services, taking account of flood and coastal erosion risk management plans in their own planning processes, ensuring their assets and

systems are resilient to flood and coastal risks and ensuring the required level of service can be maintained in the event of a flood incident. In addition, they should also work with developers and landowners to reduce the input of rainfall into sewers through the use of storage, source control and Sustainable Drainage Systems (SuDS)

### 3.4 Other Organisations

While the risk management authorities above are specifically referred to in the FWMA, it is necessary to identify other internal and external authorities and stakeholders which have a responsibility for flood risk management in their own areas of discipline will also be key contributors. These include:

Internal	External
<ul style="list-style-type: none"> <li>• Health, Safety &amp; Resilience</li> <li>• Planning               <ul style="list-style-type: none"> <li>○ Strategic (Planning Policy)</li> <li>○ Development Control</li> </ul> </li> <li>• Environmental Health and Parks &amp; Countryside</li> </ul>	<ul style="list-style-type: none"> <li>• Highways Agency</li> <li>• Emergency Services</li> <li>• Mersey Travel / Mersey Rail</li> <li>• Network Rail</li> <li>• Other Utility Services</li> <li>• Housing Associations</li> <li>• Peel Ports</li> <li>• Historic England</li> <li>• Local partnerships, forums and Community Groups</li> <li>• Royal Society for the Protection of Birds</li> <li>• National Farmers Union</li> <li>• Land Owners and estate managers</li> <li>• Natural England</li> <li>• Developers</li> <li>• Regional Flood Coastal Committee</li> </ul>

The roles and responsibilities of the risk management authorities are summarised in Table 1.

**Table 1: Risk Management Authorities and their Responsibilities**

Flood Source	Environment Agency	Lead Local Flood Authority	Water & Sewerage Undertaker	Highway Authority
<b>RIVERS</b>				
Main River	✓			
Ordinary Watercourse		✓		
<b>SURFACE RUNOFF</b>				

Surface Water		✓		
Surface Water originating on the Highway				✓
<b>OTHER</b>				
Sewer Flooding			✓	
Coastal/Tidal	✓			
Groundwater		✓		
Reservoirs	✓		✓	

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## 4. Governance and Local Partnerships

### 4.1 Regional Flood and Coastal Committee (RFCC)

Regional Flood and Coastal Committees are committees that approve the work of the Environment Agency in their region. It is also a forum to share the work and progress of the Environment Agency in the region with local partners and ensure that local needs are met. All lead local flood authorities in the region have representation on the committee, which is proportionate to the number of Council Tax Band D properties in their area.

Wirral is a member of the North West Region Regional Flood and Coastal Committee. Wirral is represented at the RFCC by the Chair of the Merseyside Flood and Coastal Risk Management Partnership. There are also nine technical appointees on the committee, who do not have voting rights.

Wirral chairs the Merseyside Flood and Coastal Risk Management Partnership.

The committee is also responsible for setting out and administering Local Levy, which is a fund paid into by each authority in the region according to the number of Council Tax Band D properties in the authority.

### 4.2 Merseyside Flood and Coastal Risk Management Partnership

The Merseyside Flood and Coastal Risk Management Partnership brings together officers and Member representatives from each of the Merseyside Lead Local Flood Authorities of Wirral, Sefton, Liverpool and Knowsley and the Risk Management Authorities of United Utilities and the Environment Agency to discuss the management and delivery of flood risk activities across Merseyside. The Partnership provides an opportunity for strategic planning and coordination between risk management authorities and also the chance to come together and discuss local issues, prioritise actions and investment, and to facilitate joint working and efficiencies wherever possible.

The Partnership is delivered and coordinated through quarterly meetings at two levels:

1. **Tactical Group** – Officers from each of the risk management authorities discuss technical issues and put forward recommendations for action to be endorsed by the Strategic Group elected Members.
2. **Strategic Group** – Officers from each of the risk management authorities and Elected Member representatives from each LLFA discuss and endorse, or otherwise, recommendations made by the Tactical Group. This group also has the power to raise key issues at the RFCC. The Member representatives who sit on this group are those which are represented by the Chair at RFCC.

### **4.3 Wirral Flood Management Partnership**

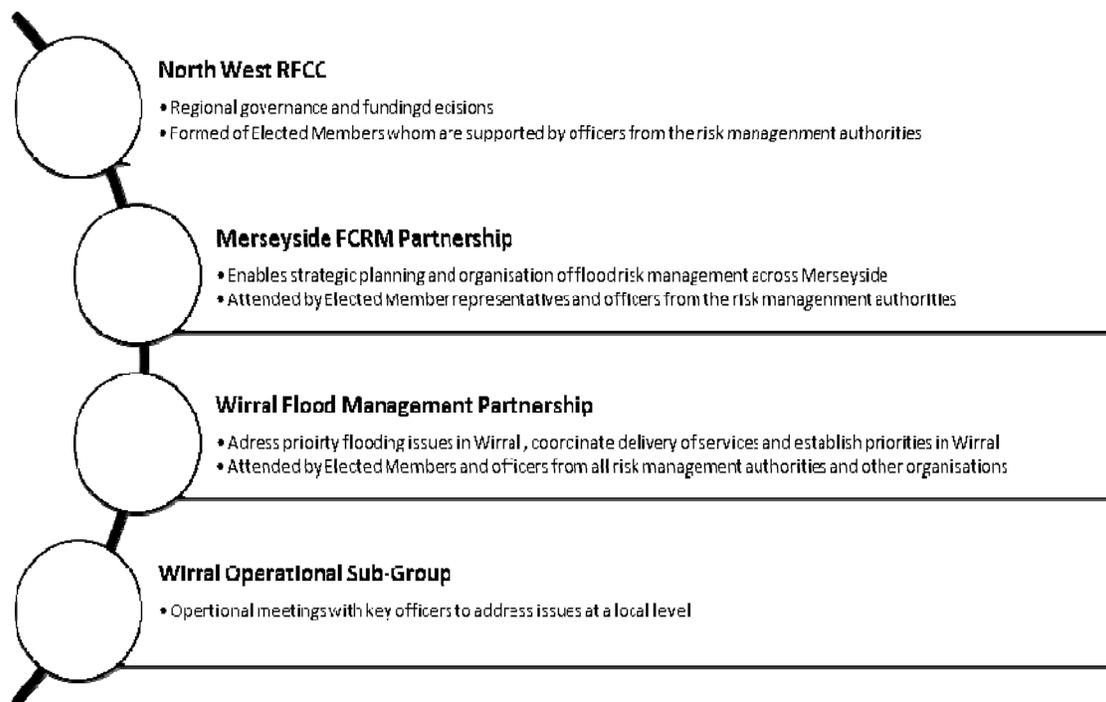
In 2008, in response to the Pitt review and recommendations, Wirral's Streetscene & Transportation Overview & Scrutiny approved the establishment of a cross-party Elected Members Steering Group, which meet regularly with the cross-departmental Officers Flood Group. Both groups were set up in following a local flood incident as a way in which such events could be tackled from a multi-agency perspective before the introduction of the Flood & Water Management Act.

The present Wirral Flood Group is a combination of these two groups, plus representatives from the Environment Agency, United Utilities, Welsh Water, Wirral NHS, MerseyTravel and the Emergency Services. The partnership relationship has been strengthened by re-branding as the Wirral Flood Management Partnership Group, together with the introduction of agreed Terms of Reference. This group meets twice a year and also reports annually to the Environment Policy & Performance Committee on flood risk management undertaken during the previous year and sets out its actions/targets for the next.

### **4.4 Wirral Operational Sub-Group**

In addition an Operational Sub-Group, made up of Council Officers and representatives from the Environment Agency, United Utilities and Welsh Water, has been established to deal with the day-to-day flooding and flood risk issues. This Operational Sub-Group meets quarterly, or as required, and reports to the Wirral Flood Management Partnership Group.

The Governance and Partnership Arrangements structure is detailed below in Figure 1 and Table 2.



**Figure 1:** Governance of Flood Risk Management Groups in Wirral

## 4.5 Other Partnerships

The Council is a member of the Liverpool Bay Coastal sub-Group to the North West and North Wales Coastal Group. Wirral is also represented at RFCC by the Chair of the North West and North Wales Coastal Group.

The Council also has existing arrangements for community consultation via its Local Strategic Partnership, Local Constituency Committee's, Wirral Youth Engagement, and Wirral Voluntary and Community Services Network.

**Table 2: Wirral Partnership Working Arrangements**

Group	Wirral Operational Flood Group	Wirral Flood & Water Management Partnership	Merseyside Flood & Coastal Erosion Risk Management Partnership	
			Strategic Group	Tactical Group
<b>Meeting Frequency</b>	Quarterly	Biannual	Quarterly	Quarterly
<b>Purpose</b>	To provide a collaborative response to local flooding, flood and coastal erosion risk and ensure effective management of any relevant issues.	To achieve through joint working an effective response to flood and coastal erosion risk in Wirral.	To make decisions about flood and coastal erosion risk management and raise key issues at the Regional Flood & Coastal Committee.	To share knowledge and expertise between RMAs and develop partnership working arrangements to deliver efficiency savings
<b>Lead Local Flood Authority</b>	✓	✓	✓	✓
<b>Emergency Planning</b>	✓	✓		
<b>Highway Authority</b>	✓	✓		
<b>Planning Authority</b>	✓	✓		
<b>Environment Agency</b>	✓	✓	✓	✓
<b>United Utilities</b>	✓	✓	✓	✓
<b>Welsh Water (Dwr Cymru)</b>	✓	✓		
<b>Wirral NHS</b>		✓		
<b>Elected Members</b>		✓	✓	
<b>Wirral PCT</b>		✓		
<b>Climate Change Officer</b>		✓		
<b>Building Control</b>		✓		
<b>Press &amp; Public Relations</b>		✓		
<b>Legal Officer</b>		✓		
<b>Merseytravel</b>		✓		
<b>Coastal Erosion Officer</b>	✓	✓		
<b>Liverpool Council</b>				✓
<b>Knowsley Council</b>				✓
<b>Sefton Council</b>				✓
<b>St Helens Council</b>				✓

## 5. Flood Risks in Wirral

Wirral is vulnerable to flooding from several sources and often during a flood event flooding is caused by a combination of these flooding sources.

### 5.1 Local Flood Risk

Local flood risk is the risk of flooding from surface water, groundwater and/or from ordinary watercourses, which includes a lake or pond or other area of water which flows into an ordinary watercourse.

#### Surface Water Flooding

Surface water flooding occurs when heavy rainfall exceeds the capacity of the ground and local drainage network to absorb it. This can lead to water flowing across the ground and ponding in low-lying areas, which may be a long way downstream and it may not be obvious that one area is contributing to flooding elsewhere. This type of flooding is typically caused by short, intense rainfall and is often localised and with short lead-times, making it difficult to predict. It can occur where no watercourse exists. The problem and severity of surface water flooding can be exacerbated by: topography, drainage system capacity and surfaces with low permeability.

#### Groundwater

Groundwater flooding results when the natural water table within the underlying strata rises to ground level. This can result from reductions in water abstraction, or following extended periods of sustained rainfall. The areas most at risk can be low-lying areas or where the ground water table is at a naturally shallow level.

The Environment Agency Areas Susceptible to Groundwater Flooding Map (AStGWF) suggests that the coastal fringes to the east and northeast together with the northwest of the Wirral could be susceptible to groundwater flooding. However, the production of these maps was based on limited geological information and does not take account of groundwater rebound following reductions in water abstraction. In addition, the maps show 1km grid squares where geological and hydrogeological conditions show that groundwater might emerge but it is likely that only isolated locations within the overall susceptible area are actually likely to suffer the consequence of groundwater flooding.

No records were identified of known groundwater flooding within the Wirral and therefore it is not possible to conclude if any past groundwater flooding has had any significant effect on existing recorded surface water flooding.

Groundwater does affect the operation of the three Mersey tunnels and continuous pumping is undertaken at present by the operator.

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## **Ordinary Watercourses**

An 'ordinary watercourse' is a watercourse that does not form part of a main river and includes rivers, streams, ditches, drains, cuts, culverts, dikes, sluices, sewers (other than public sewers within the meaning of the Water Industry Act 1991) and passages, through which water flows.

Flooding from ordinary watercourses occurs as a result of flows in a watercourse exceeding their capacity. This type of flooding may result from overtopping and / or breaching of flood defences following heavy rainfall and / or melting snow, which causes abnormally high water levels. It can also be caused by debris build up which can ultimately block them or any screens located on them.

There is a network of ordinary watercourses for which Wirral Council is the relevant operating authority. There are 5.04km of 'critical ordinary watercourses' of which 3.89km are culverted (piped) and, although these are non-main river, they are considered critical due to their potential to put large numbers of people and property at risk of flooding should they not be maintained appropriately.

Prior to the introduction of the FWMA, consenting and enforcement of works on ordinary watercourses was the responsibility of the Environment Agency. It is now, however, the responsibility of the LLFA to manage both consenting and enforcement activity related to ordinary watercourses (except in those areas covered by an Internal Drainage Board).

Wirral Council, as LLFA, has no statutory responsibility for maintaining ordinary watercourses. Instead their responsibility, including for maintenance, lies with the riparian owner.

Riparian owners (those who own land adjoining, above, or with a watercourse running through it) are responsible for the maintenance of watercourses on their land. A riparian owner can be an individual land owner, a range of individuals, private companies, local authorities or other organisations. These riparian responsibilities apply to both ordinary watercourses and main rivers.

Riparian owners must let water flow through their land without any obstruction, pollution or diversion which affects the rights of others. They are responsible for maintaining the bed and banks of the watercourse as well as the trees and shrubs growing on the banks. Riparian owners must also keep any structure, such as culverts, trash screens, weirs and mill gates, clear of debris. They must accept flood flows through their land, even if these are caused by inadequate capacity downstream. However a landowner has no duty in common law to improve the drainage capacity of a watercourse for which they are responsible.

### **5.1.1 Historical and Current Risk**

Prior to the introduction of the FWMA Wirral did not have status as LLFA and there was no requirement to maintain a register of flood risk locations. Some records exist which provide an indication of flood locations however the cause or type of these floods is not always recorded. Strategic planning documents, such as the Shoreline Management Plan, Wirral Coastal Strategy, Catchment

Flood Management Plans, Preliminary Flood Risk Assessment and Wirral Strategic Flood Risk Assessment have been produced which draw upon these records to provide a picture of historic flood and coastal erosion risk locations.

Since the introduction of the FWMA, Wirral now has a statutory responsibility to investigate and report upon 'significant' flood events. Wirral's Section 19 Flood Investigation Policy is available on the Council's website and, as there is a requirement to make the investigation reports publically available, so are the reports. These reports and underlying database of flood events now form the basis for the definition of high flood risk locations in Wirral.

The LLFA has a statutory responsibility to maintain a Flood Risk Asset Register. By producing and maintaining this register, features which have the capacity to significantly increase flood risk are identified and lead to an improved understanding of the management of local flood risk.

### **5.1.2 Managing Risk**

The Government, drawing on information from existing surface water flood risk maps, identified locations across the UK where local flood risk is significant and where these locations are clustered together they have been identified as Indicative Flood Risk Areas. This criterion did not identify any indicative flood risk areas within the Wirral. However, although no indicative flood risk areas were identified, it was established that a number of locations were at flood risk across Wirral from future flooding.

Current and future local flood risks will be managed by Wirral Council as LLFA, in partnership with other risk management authorities, through the implementation of the statutory requirements of the Flood Risk Regulations 2009 and the Flood and Water Management Act 2010, including:

- Working in partnership to manage those risks
- Maintaining an asset register of structures and features of flood risk assets
- Designating flood risk assets or features which are situated on private land and which manage flood and/or coastal erosion risk
- Investigating 'significant' flooding incidents in our area and make recommendations to improve flood risk management as a result of those recommendations
- Consenting and enforcement of activities on ordinary watercourse to manage the flood risk
- Engaging in the planning process as a statutory consultee to proactively manage and minimise any 'new' risks from or to new development proposals

In addition, we will also work to reduce local flood risk in a number of other ways, including:

- Working with our communities to help them become more resilient
- Investing in areas identified at risk, where economically feasible to do so

- Developing robust emergency plans to support a coordinated response to flooding emergencies

This is discussed in more detail in Sections 6 and 7.

## **5.2 Main River Flood Risk**

‘Main rivers’ are classified as such by the Environment Agency typically because of their importance in land drainage for the catchment which they serve. Where watercourses are classified as a ‘main river’ the responsible risk management authority for their regulation is the Environment Agency.

Flooding from main rivers occurs as a result of flows in a watercourse exceeding their capacity. This type of flooding may result from overtopping and / or breaching of flood defences following heavy rainfall and / or melting snow, which causes abnormally high water levels. It can also be caused by debris build up which can ultimately block them or any screens located on them.

### **5.2.1 Historic and Current Risk**

The Environment Agency maintains 97km of main rivers and any associated flood defences within the Wirral catchment. Main rivers in Wirral which the Environment Agency manages are:

- Dibbinsdale Brook
- Dibbinsdale Brook Tributary
- Clatter Brook
- Prenton Brook
- River Fender
- Newton Brook
- Greasby Brook
- Carr Drain
- Perimeter Drain
- Arrowe Brook
- The Birket
- Birket Old Courses

The Environment Agency has a prioritised programme of regular maintenance on all its main rivers, which includes inspections, litter and debris removal, desilting, strimming, flailing and weed treatment.

Where these main rivers pass into culverts under the public highway Wirral Council, as the Highway Authority, has inspection and maintenance responsibilities.

### **5.2.2 Managing Risk**

The Environment Agency has produced mapping which identifies areas at risk of flooding from rivers or the sea. The Environment Agency produce Flood Warning Areas used by the Agency to warn residents of possible flooding events.

### **5.3 Coastal Erosion and Tidal Flood Risk**

Coastal erosion and tidal flood risk is managed through the Council's responsibilities for coastal defence as a Coastal Protection Authority.

Coastal erosion is a natural process caused by wind and wave action wearing away the land, such as the foreshore or cliffs. Where tidal currents, wind and waves, cause the land to be worn away and removes sediment which is not replenished, then erosion occurs. Erosion of foreshores can happen slowly over time. However, lowering beach levels can increase the risk of failure of coastal defence structures, while erosion at the base or toe of a cliff can cause instabilities, which become immediately apparent.

Tidal flooding can be caused by river or sea defences being overtopped, usually caused by a combination of low pressure and high tide. However, where defences are not overtopped or exceeded, tidal flooding can also be caused by spray overtopping.

#### **5.3.1 Historic and Current Risk**

The shoreline of England and Wales is split into suitable divisions of coastline within which a strategic framework for the development of sustainable policies for coastal defences are identified, based on natural process behaviour. In the North West of England and North Wales the coastline was identified as being a major cell denoted as Cell 11, which from the Great Ormes Head at Llandudno to the Solway Firth. Within this cell five sub-cells were identified:

<b>Sub-cell 11a</b>	Great Ormes Head to Formby Point
<b>Sub-cell 11b</b>	Formby Point to River Wyre
<b>Sub-cell 11c</b>	River Wyre to Walney Island
<b>Sub-cell 11d</b>	Walney Island to St. Bees Head
<b>Sub-cell 11e</b>	St. Bees Head to Solway Firth

Wirral Council is an active member of the North West and North Wales Coastal Group, leading on the sub-cell 11a shoreline management plan (SMP) production in 2010. Membership together with collaborative working between members of the Coastal Groups reinforces the strategic approach taken towards flood and coastal erosion risk management. The current North West England and North Wales Shoreline Management Plan (SMP2), was adopted by Wirral Council in September 2010 and defines a preferred shoreline management policy for each Policy Unit defined along the Wirral Frontage.

Whilst the SMP identifies what policy should be adopted for future coastal defence management, the Wirral Coastal Strategy identifies how the policies would most appropriately be implemented, based on a more detailed understanding of coastal processes applying, flood and coastal erosion risks faced by coastal communities, environmental impacts and the economic justification for different future coastal management scenarios.

The Wirral Coastal Strategy has identified Preferred Management Options for each of the 14 Strategy units forming the Wirral coast with priority areas for intervention which are identified in Table 3.

**Table 3:** Priority areas for intervention

<b>Strategy Unit</b>	<b>Proposed Works</b>	<b>Timescale for Implementation</b>
West Kirby	New flood prevention measures	2-3 years
Rock park Esplanade	Refurbishment works	3-4 years
Meols Parade	Sea Wall refurbishment	2-6 years
Wallasey Embankment	Embankment toe protection	11-20 years

### **5.3.2 Managing Risk**

In addition to proposed intervention actions, on-going collection of coastal process, shoreline response and asset inspection will continue to be carried out through the North West Regional Framework of the National Network of Strategic Regional Coastal Monitoring Programmes and information collected will inform proposed strategy actions.

Wirral Council is the major owner of the 42km of sea and river frontage between its boundaries on the Dee and Mersey Estuaries, whilst most of this frontage is artificially defended to reduce flood and coastal erosion risk no major works have been undertaken on the Wirral since West Kirby Marine Lake Outer Wall in 2008. There has, however, been on-going revenue expenditure on the maintenance of existing coastal defence assets. A programme of regular inspection and monitoring is also in place and the output from these activities has informed and been fully considered during the production of the Wirral Coastal Strategy.

The Environment Agency has produced mapping which identifies areas at risk of flooding from rivers or the sea. The Environment Agency produce Flood Warning Areas used by the Agency to warn residents of possible flooding events.

## **5.3 Sewer and Man-Made Flood Risk**

During sewer flooding both foul and surface water can occur as a result of heavy rainfall overloading sewers or failure of a sewer due to collapse or debris build up.

Man-made structure flooding can result from the failure of canals, reservoirs, and other man-made structures along with problems caused by the failure of pumping stations, water mains and industrial activity.

### **5.3.1 Historic and Current Risk**

The majority of the public sewerage system in the Wirral is owned and maintained by United Utilities, however the southwest corner of the Borough, around Heswall, is the responsibility of Dwy'r Cymru (Welsh Water). Much of the highway drainage system within the Wirral discharges into these public sewers and during high intensity storm events or extended periods of heavy rain the public sewerage system often becomes overloaded resulting in both surface water and foul flooding of the highway and property.

A register of reported sewage flooding incidents is held by both United Utilities and Welsh Water; and are utilised to identify locations where sewer capacity improvements are necessary and would provide economical local benefits. Both produce 5-yearly investment plans identifying those locations that will benefit from improvements over that period. In addition they undertake both planned and reactive maintenance on their sewerage assets to reduce flood risk.

The failure of man-made structures can lead to flooding which can have no relationship with rainfall events. The failure of canals, reservoirs, pumping stations, water mains and the infrastructure at industrial sites can lead to flooding. The responsibility to maintain these where they occur in the Wirral rests with a number of public and private organisations. As they are identified the flood risk will be assessed and the flood risk management authority with responsibility will be notified.

### **5.3.2 Managing Risk**

Any new sewers or upsizing that is undertaken are designed in accordance with national standards while taking account of climate change and urban creep.

## **5.4 Climate Change**

The predicted changes are generally based on the Governments own UK Climate Impacts and the most recent predictions from the UK Climate Projections 2009 (UKCP09), which has produced a series of potential climate change scenarios based on differing global emission rates from low to high. There are a large number of uncertainties associated with predicting the outcome of these scenarios, which create limitations on the accuracy of the predictions.

Recent changes in climate, particularly in the North West have included: -

- average mean temperatures rising by about 2.65°C over the last century

- the 1990s being globally the warmest decade in the last century with 1998 being the hottest year on record
- seasonal rainfall has varied by as much as 15% from the average in the last 30 years
- decreases in summer rainfall during the last century of up to 20%
- increases in high intensity winter rainfall having been experienced since the 1960s
- increases in flooding of some major rivers in the region in the last few decades
- sea levels around Liverpool having risen by about 6cm in the last 50 years and 10cm over the last 100 years.

Predicted changes which may affect the climate of the UK include:-

- Warming in the North West, which will increase mean winter temperatures between 1 and 3°C and in summer between 2.6 and 4.1°C by the 2050's. While by the 2080's summer mean temperatures across the North West may have risen between 2 and 5.9°C.
- More warming in summer and autumn than in winter and spring.
- Winters will become wetter than at present by up to 26%, whilst summers will most likely become drier.
- This contrast between winter and summer climate will increase with time. Winters will become wetter and summers drier.
- Sea level rises of up to 30cm by the 2050's and 80cm by the 2090's (these are specifically based on latest climate change guidance from EA in 2011).

There are a large number of potential consequences of climate change with differing degrees of likelihood associated with them. Wirral will ensure that it is as prepared as possible, within the resource constraints placed on it, to respond to the challenges posed by extreme weather events, in-line with Government guidance.

The National Planning Policy Framework (NPPF) sets out how the planning system should help minimise vulnerability and provide resilience to the impacts of climate change, particularly in managing flood and coastal erosion risk. Making an allowance for climate change will help to minimise vulnerability and provide resilience to flooding and coastal change in the future.

Wirral Council is mitigating climate change through behavioural changes and by reducing its carbon emissions thus reducing its carbon footprint, for example through initiatives such as energy management to reduce consumption, recycling and green transport initiatives.

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## 6. Principles for Managing Flood Risk

### 6.1 Local Flood Risk Management Guiding Principles

For local flood and coastal erosion management to be viable and sustainable it will be necessary to make difficult decisions on where risk management activities can and cannot be carried out. These decisions, and the processes by which they are taken, will be guided by a number of high-level principles.

- Community focus and partnership working
- A catchment and coastal “cell” based approach
- Sustainability
- Proportionate, risk-based approaches
- Multiple benefits
- Beneficiaries should be encouraged to invest in risk management

### 6.2 Community Focus and Partnership working

Wirral will work with other flood risk management authorities in partnership with communities to understand the community perspective of flooding and coastal erosion, helping communities understand and actively prepare for the risks, and encourage them to have direct involvement in decision-making and risk management actions. The aim is to ensure that decision-making and ownership of risk management measures are as local as possible but within a catchment or coastal cell that ensures a fair allocation of funds and avoids the transfer of risk elsewhere without prior agreement. Wirral will co-ordinate its consultations and the input of local bodies and communities through its four local Neighbourhood Forum’s and public scrutiny and overview proceedings.

It will work closely with the Regional Flood and Coastal Committee (RFCCs) to consider how both the costs and benefits of investment resulting from local flood risk management strategies should be spread between geographical areas, communities and sectors. Involving those communities identified as being at risk can help inform local decisions on what is needed and who should be asked to contribute towards the costs of investment, so that costs and benefits are shared fairly.

Partnership working will also ensure that risk is managed in a co-ordinated way beyond authority boundaries, for example across catchments or along the coast, with lead local flood authorities working together collectively. By working in partnership with communities, Wirral will achieve a clearer understanding of the issues, and be able to bring together those best placed to develop and provide solutions.

The key aims will include the identification of synergies and efficiencies and ways of maximising these, the development of better links with other related work, and the promotion of better sharing of information and expertise

### **6.3 A Catchment and Coastal “Cell” based Approach**

In understanding and managing flood and coastal risks locally, Wirral will ensure that it considers the impact on other parts of the catchment or coast, to avoid passing risk on to others within the catchment or along the coast without prior agreement. This catchment or coastal cell approach will be a key aspect to managing risks at source and achieving wider benefits through better integrated water management and increase the opportunity for developing new sources of funding as well as pooling resources and expertise. The existing catchment flood management plans (CFMPs) and shoreline management plans (SMPs) supports this approach.

### **6.4 Sustainability**

Wirral will support local communities by managing flood and coastal erosion risks in ways that take account of all impacts and the whole-life costs of any investment. The risk management solutions will be forward-looking, taking account of potential risks that may arise in the future and being adaptable to climate change. They will, where possible, also work with natural processes and aim to enhance the environment. By adopting a more sustainable approach to the management of flood and coastal erosion risks, Wirral aims to greatly improve the environmental condition of rivers, wetlands, coastal areas, and the social and economic circumstances around and within the local settlements.

### **6.5 Proportionate, risk-based approach**

It is not technically, economically or environmentally feasible to prevent flooding and coastal erosion altogether. Therefore, Wirral’s risk-based management approach will target resources to those areas where they will have the greatest benefit. These risk management measures will consider both the probability over time of a flood or coastal erosion happening and the consequences that might arise if it did. To do this the sources, pathways, receptors and consequences of risk need to be understood and addressed as appropriate to manage all of the factors that combine to create risk. This approach involves using a tiered assessment i.e. starting at a high, screening level and in stages becoming more detailed to address the risks identified. It will seek to make risk management more straightforward, removing unnecessary barriers while ensuring that legal and Government policy requirements are met. All aspects of risk management will be carried out in a proportionate way that reflects the size and complexity of the risk and society’s ability to manage it. Investment in managing risk, and who pays for it, should reflect the benefits that result.

### **6.6 Multiple benefits**

As well as reducing the risks to people and property, FCERM can bring significant economic, environmental and social benefits. It can enhance and protect the built, rural and natural environments, cultural heritage and biodiversity by preventing loss and damage to habitats and heritage assets and reducing pollution. It can contribute to regeneration and income generation, protect infrastructure and transport links, and

contribute to economic growth. It is important that communities are able to shape risk management actions to take account of local priorities, and that this is supported, where appropriate, by local contributions to achieve additional benefits that might not be possible otherwise. In all instances, Wirral's flood and coastal risk management activities will seek to avoid damaging the environment, including the historic environment, and wherever possible work with natural processes; and always seek to provide environmental benefit, as required by the Habitats, Birds and Water Framework Directives. This may include providing new habitats, which may not be directly linked to FCERM schemes, to compensate for those that are lost as a result of actions to protect people and property.

## **6.7 Beneficiaries should be encouraged to invest in risk management**

When flood and coastal erosion risks are managed, the benefits achieved are in many cases localised and lead to personal or private gain through the protection of specific individuals, communities and businesses. However, they can also be public, through the reduction of future costs to society arising from incident recovery. The Government have identified that as the private as well as the public will benefit, then the costs should not fall to the general taxpayer alone. If costs are borne by national budgets alone, the plans would be subject to national controls to ensure value for money to the taxpayer, limiting the scope for local influence and hence there would be a lack of local incentive to take sensible steps to reduce risk where possible, to avoid actions that might increase it, or to keep the costs of risk management actions proportionate. Overall, the Government has suggested that there will be the opportunity for significantly more risk management activity to take place if alternative sources of funding can be secured in each area to reflect the local benefits that would be delivered. Any local funding can be used to supplement the amounts available nationally to ensure as many communities as possible can be protected.

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## 7. Delivering Flood Risk Management

### 7.1 Sustainable Drainage and Planning

Sustainable Drainage Systems (SuDS) are a means of managing rainwater using and mimicking natural processes so that the volume and flow rate of water from developments is similar to that of the land in its natural state. SuDS can have a significant role in preventing local flooding by managing the amount of surface water that is discharged. Additionally, they also provide water quality improvements, open space that can also be used as public amenity and they can provide wildlife habitat.

In December 2014, a Ministerial Statement was released by Government setting out their 'expectation is that sustainable drainage systems will be provided in all new developments wherever this is appropriate.' Schedule 5 of the Town and Country Planning (Development Management Procedure) (England) Order 2015 lists the LLFA as a statutory consultee for major development proposals. This means that the Local Planning Authority (LPA) must consult with the LLFA prior to determining a planning application. As a statutory consultee, the LLFA has a legal duty to provide a substantive response to the LPA providing an informed view on development proposals which have surface water implications within 21 calendar days. The performance of the LLFA is closely monitored by the Secretary of State to whom the LLFA is required to report annually on their performance.

In delivering this role the LLFA must work with the planning framework, notably:

- **National Planning Policy Framework (NPPF)**
- **Planning Practice Guidance (PPG)**

The aim of this planning framework is to reduce inappropriate development in flood risk areas and reinforce the requirement for sustainable surface water management in all new developments.

To support the delivery of this framework, Government have published Non-Statutory Technical Standards for Sustainable Drainage which are to be read alongside the NPPF and PPG and offer further technical guidance on the design standards Government expects to see for SuDS.

At a local level, the LLFA must also have regard to the local planning framework set out by Wirral Council in its Local Plan. The LLFA is working closely with the local planning authority in developing appropriate policies in this capacity to manage flood risk in Wirral.

### 7.2 Ordinary Watercourse Consent

Under the Land Drainage Act 1991 (as amended by the Flood & Water Management Act 2010), consent is required from Wirral Council as LLFA to build a culvert or structure (such as a weir) or carry out works within the banks of any ordinary

watercourse which may alter or impede the flow of water, regardless of whether the watercourse is culverted or not. Wirral Council as LLFA has responsibilities to maintain ordinary watercourses and land drainage systems where it is the riparian owner.

A policy approach will be developed to support the application of ordinary watercourse consenting powers.

### **7.3 Ordinary Watercourse Enforcement**

Ordinary watercourse enforcement can be used to ensure the proper flow of water in a watercourse and over the floodplain; the control of water levels and the security of existing assets. To achieve these aims, enforcement action can be used to rectify unlawful and damaging or potentially damaging work, using a risk based approach.

A policy approach will be developed to support the application of ordinary watercourse enforcement powers.

### **7.4 Asset Register**

The Flood & Water Management Act 2010 placed a duty on LLFA's to identify and record assets that have the potential to create flooding with significant risk to life and property. As these assets are identified they are added to the assets register and their flood risk status established and if necessary they can be designated, to prevent inappropriate changes.

For example, culverts and debris screens could create a significant risk of flooding depending on their location; critical ones need to be identified and a regular maintenance programme established, however, its frequency will depend as much on resources available as the need.

The flood risk asset register will continue to be developed on the Drainage GIS mapping system and populated as assets are identified. As some asset details are held in other databases only a reference to this will be held in the register.

### **7.5 Designation of Flood Risk Features**

As a LLFA, Wirral Council has the power to formally designate a structure or feature which it believes may have an effect on flood or coastal erosion risk. These legal powers are intended to address the flood risk which could occur if a structure or feature is altered or removed which:

- a) Contributes to flood or coastal erosion risk; and
- b) Is situated on private land

A designation acts as a form of legal protection for structures and features which have been identified as presenting a flood or coastal erosion risk. Schedule 1 of the FWMA, Paragraph 5(1) prohibits any person to: *'alter, remove or replace a designated structure or feature without the consent of the responsible authority.'* When deciding whether or not a structure or feature should be designated, the main consideration should always be the effect the structure or feature has on flood or coastal erosion risk.

## **7.6 Flood Investigations**

Section 19 of the Flood and Water Management Act 2010 places a responsibility on lead local flood authorities to investigate, to the extent that it considers it necessary or appropriate, floods in its area. It should identify which risk management authorities have relevant flood risk management functions and whether they are exercising or proposing to exercise those functions in response to the flood. It must then publish the results of its investigations and notify any relevant risk management authorities.

In response to the legislation Wirral Council has developed a Flood Investigations Policy, which can be found on the Council's website. Flood Investigation Reports carried out under this policy into significant flood events will be made published on the Council's website.

The results of any investigations will be shared with partners and placed on the Drainage GIS mapping system and will be used to develop a programme of remedial works aimed at preventing or reducing the impact of the flooding. In some cases this may involve property level resilience works, particularly if it is unlikely that a solution is possible or too costly.

## **7.7 Flood Resilience, Response and Recovery**

Defra is the lead government department for flood emergencies in England. Defra Ministers have overall responsibility for national level flood emergency planning and for ensuring co-ordinated policy and other support, as necessary, to local emergency responders. For more on this, please refer to the National Flood Emergency Framework.

The Civil Contingencies Act 2004 is one of the most relevant pieces of legislation to emergency planning for flooding. It formalises a number of duties on Local Authorities, the Emergency Services and other organisations involved (including the Environment Agency) in responding to any emergency. Amongst these are contingency planning and risk assessment for emergencies at the local level, including flooding.

The Act lists Local Authorities, the Environment Agency, and Emergency Services as 'Category 1' responders to emergencies. It places duties on these organisations to:

- undertake risk assessments;
- manage business continuity;
- carry out emergency planning;
- share information and cooperate with other responders; and
- warn and advise the public during times of emergency.

Incident management is vital to reducing the consequences of flooding to people. Prompt action to minimise the consequences is the most effective way of limiting the longer-term impact the wellbeing of individuals and the economic resilience of communities.

The Environment Agency has a key role in relation to flooding. It has a responsibility under the Civil Contingencies Act to provide flood warnings to those at risk from flooding from rivers and the sea and permissive powers to maintain and improve flood defences.

Local Resilience Forums (LRFs) – of which the Environment Agency is a member in all regions – are responsible for developing multi-agency flood plans (MAFPs). These plans allow all responding parties to work together on an agreed coordinated response to flooding.

LRFs bring together Category 1 and 2 responders within a local police area for the purpose of cooperation in fulfilling their duties under the Civil Contingencies Act. There are also a number of LRF sub-groups that will cover specific subjects such as severe weather and flooding.

While the LRF and associated sub-groups focus on planning for incidents, there are other levels of control that may convene to manage the response during a flood. They are:

1. **Bronze** - Operational level, at which the management of 'hands-on' work is undertaken at the incident site or impacted areas;
2. **Silver** - Tactical level of management is introduced to provide overall management of the response; and
3. **Gold** - Strategic decision makers and groups at local level. They establish the framework within which operational and tactical managers work in responding to and recovering from emergencies.

This has been further strengthened by the government's commitment to developing a National Flood Emergency Framework (NFEF), which was published by Defra in 2010. The NFEF is a forward-looking policy framework for flood emergency planning and response prompted by Sir Michael Pitt in his report on the summer 2007 floods. It brings together information, guidance and policies and is a resource for those involved in flood emergency planning at local and national levels.

There are a large number of organisations involved in flooding emergencies. These include the Category 1 and 2 responders identified in the Civil Contingencies Act and are likely to expand during the event, depending on the size, duration, and recovery phases.

The following lists the key roles and responsibilities for Wirral Council during and after a flooding emergency.

- Coordinate emergency support within their own functions;
- Deal with surface water and groundwater flooding, flooding from 'non main rivers' within its resource capabilities,
- Work with the other Category 1 and 2 responders as part of the multi-agency response to floods;
- Coordinate emergency support from the voluntary sector;
- Liaise with central and regional government departments;
- Liaise with essential service providers;
- Open rest centres;
- Manage the local transport and traffic networks;
- Mobilise trained emergency social workers;
- Provide emergency assistance;
- Deal with environmental health issues, such as contamination and pollution;
- Coordinate the recovery process;
- Manage public health issues;
- Provide advice and management of public health;
- Provide support and advice to individuals; and
- Assist with business continuity.

Local authorities will continue to lead post-flood recovery within communities. This will draw on and align with Government National Recovery Guidance and advice. However, it should be noted that the level of response that Wirral Council will be able to provide will always be limited by the resources available to it at the time of the incident.

## **7.8 Communications**

Communications will involve both internal and external partners together with local community. The purpose of the communications will be to:

- Ensure understanding of the roles and responsibilities of the various flood risk management authorities and partners;
- Manage expectations and to be clear about what can and cannot be achieved;
- Build a greater awareness of flood risk and ownership of the problems at a local level;

- Generate a culture of personal and community responsibility for being prepared for flooding;
- Make certain that the strategy is understood and is supported by all sections of the community and;
- Guarantee co-ordination with the Council's other plans and strategies: but in particular, the Emergency Plan.

## **7.9 Community Involvement**

Involving and informing the local community concerning flood risk within Wirral is identified as a high priority now and in the future and the necessary resources will need to be identified to support this aim. The Wirral Flood Partnership has produced an information leaflet that gives residents appropriate advice on what to do in the event of a flood, which will be made available, resources permitting, at Wirral Council One-Stop-Shops and Libraries.

In addition, undertaking consultation with the various housing providers in Wirral would enable the flood risk messages to reach a wider audience, increase the understanding of the local flood risk and secure the prioritisation and response that these communities would wish to see in connection with what are often localised problems that directly affect them.

The involvement of local communities in the funding of flood mitigation/prevention works will be necessary in the future due to the limited amount of funding available nationally and locally. In addition, it will not be economically, socially or environmentally feasible to permanently resolve all flooding issues in the Wirral. As part of this Plan it is proposed to develop an investment strategy for how the Council can work with other organisations and communities to raise further funds and prioritise areas for further investigation and/or investment.

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## **8. Investing in Flood Risk Management**

### **8.1 Funding Process**

Government support will be prioritised to help those most at risk but least able to afford to protect themselves. The Government has provided a framework within which choices can be made about national and local priorities for expenditure, and how national resources will be targeted

The financial benefits of flood and coastal risk erosion management typically outweigh costs many times over, providing significant gains to land and property owners and others by avoiding future damage to property, safeguarding insurance terms, and preventing the serious trauma and health impacts that flooding and coastal erosion can cause. In addition to the continuing but limited national funding, local areas and partners will be encouraged to financially invest more in flood and coastal erosion risk management. By doing this it should mean that more communities can enjoy the benefits of protection, whilst giving them a bigger say in the action taken. Decisions will be taken locally, and voluntarily, on whether and how to contribute towards schemes.

### **8.2 Targeting of Government Resources**

Flooding and coastal erosion cannot be entirely prevented and the relevant legislation is largely permissive. This means that there is no general right to be protected from flooding and coastal erosion, and no right to be protected to any particular standard where risk management action is taken. Instead, Government promotes nationally consistent approaches to assessing and managing flood and coastal erosion risk.

Government, through national taxation, is also the primary funder of risk management activity, with the majority of funds within the system provided by Defra to the Environment Agency as Flood Defence Grant-in-Aid. This block grant together with centralised delivery allows economies of scale to be exploited and means that uneven investment profiles in each part of the country can be managed.

Government funding and resources are prioritised to achieve the greatest reduction in risk possible, either as a result of direct investment or by facilitating wider sources of funding. Assets and systems are managed to maximise their whole-life value, ensuring an appropriate balance between providing improved levels of protection and maintaining existing systems. As a result, it is estimated that approximately 85 per cent of the potential annual damages from flooding are prevented by the flood risk management assets and systems already in place. However, future annual damages are expected to rise due to climate change, and the natural deterioration in the condition of existing assets. They will also increase if inappropriate new development were to take place. Therefore, overall investment, by the private and

public sectors combined, needs to keep pace with pressures over the medium to long-term to avoid flood risk and rates of coastal erosion increasing over time.

### **8.3 Capital investment in new and improved assets and systems**

In recent years capital investment by Government has been allocated to achieve a range of social, economic and environmental outcome measure targets. Investments that have made the biggest contribution towards the targets, per pound of investment required, have been prioritised. While this approach has been successful in delivering outcomes against Government priorities, overall levels of activity have been constrained by the amount of national funding available. This means that some areas have benefited from good levels of protection for 'free', at the general taxpayers' expense, but similar levels of protection cannot be afforded for everyone.

The current system has also been criticised for being too top-down and lacking in local influence. The predominance of Government funding in the system can also lead communities to assume that their defence project will be funded eventually. In some cases, this is unrealistic and undermines incentives for local action in the meantime.

Therefore, from April 2012 there has been a transition towards a new system of allocating national capital funding to risk management projects. The reforms aim to better protect more communities, deliver more benefits, and help avoid deprivation caused by flooding and coastal erosion, by:

- **encouraging total investment to increase beyond levels affordable to central Government alone.** Additional investment will help offset the twin long-term challenges of climate change and asset deterioration, whilst moving funding arrangements onto a more sustainable footing. Investment in reducing the risk of flooding is also the best way of keeping insurance cover affordable.
- **enabling more local choice, and encouraging innovative, cost-effective options to come forward in which civil society may play a greater role.** Those that live or have an interest in the areas at risk should have a bigger say in what gets done, in return for greater local and private contributions towards the benefits delivered.
- **increasing levels of certainty and transparency over the national funding for individual projects whilst prioritising action for those most at risk and least able to protect or insure themselves.** Introducing more certainty over Government funding for each community will encourage additional investment to come forward, or alternative actions to be taken, if local priorities are unlikely to be entirely met by national budgets alone.

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## **9.4 Maintenance of Existing Flood Defence Asset Systems**

The maintenance of asset systems is generally carried out using a risk-based approach and prioritised so that investment is made where activities contribute most towards reducing the risk, the potential for damage, and also where it is economically and environmentally justified. Future investment in maintenance will continue to be prioritised to ensure that the greatest possible outcome is achieved with the available funding. Flood risk and coastal erosion management assets such as coastal flood defences, watercourses, culverts and highway drainage systems work with other assets as part of a system, together providing protection to a defined 'benefit area'. Failure of any one single asset could put the whole system at risk.

Wirral is in the process of developing its Flood Risk Asset Register together with its Highway Asset Management Plan. This will involve the mapping of each asset, cataloguing all assets performing an FCERM function, appraising the benefits of commencing or continuing their maintenance and identify if improvements may be beneficial. The need to ensure value for money in maintenance activities in some systems, may lead to a need for it to be reduced or even cease.

Since a range of factors are relevant when the required level of maintenance for an asset is reviewed, four categories are considered:

1. Assets for which there is an economic case for maintenance to reduce the risk from flooding to people and property;
2. Assets that are required to protect internationally designated environmental features from the damaging effect of flooding;
3. Assets that do not fit categories one and two above, but where work is justified due to legal commitments;
4. Assets that do not fit the above three categories.

Wirral will aim to maintain the assets it is responsible for in the first two categories, or ensure that who ever is responsible is aware of their maintenance responsibilities. It will also consider maintenance of assets in the third category, at least for the immediate future. While current funding levels may be sufficient to achieve this maintenance in the short term, the effects of asset deterioration and climate change could make this more challenging as time progresses. For assets in the last category, Wirral will consult with interested parties and, as soon as is reasonably and practically possible, cease any maintenance it may presently be undertaking to be able to fulfill higher priorities elsewhere.

## **8.5 Costs and benefits of FCERM measures**

In the financial year 2011-2012, Defra spent approximately £521 million on FCERM through the Environment Agency in England. In addition to this, Wirral receives funding from the Department of Communities and Local Government through its

Formula Grant to undertake new roles under the Flood and Water Management Act. This investment in FCERM protects people, property and the environment and by preventing flooding and coastal erosion, physical assets deliver very high economic benefits. In the 2008-2009 to 2010-2011 investment programme every £1 of capital investment in flood and coastal erosion risk management provided an average long-term benefit in reduced damage of approximately £8.

Three benefit aspects of a project will influence the availability of contributions from national funding:

1. The value of benefits for householders as a result of flood or coastal erosion risks being managed, especially in deprived areas and where risks are significant.
2. The value of other benefits achieved, such as the benefits to businesses, agricultural productivity and protection for national and local infrastructure, across the whole-life of the scheme.
3. The environmental benefits of the scheme, needed to maintain healthy ecosystems as well as offset any habitats lost when defences are built to protect people and property.

Shortfalls between the cost of a scheme and the available national funding will need to be met by contributions from others or through auditable cost savings.

Key partners with direct interest in proposed schemes are potential funders or may be able to contribute to schemes in other ways such as coordinating their work to achieve scheme objectives or allowing works to take place on their land. Wirral Council as a scheme promoter is encouraged to look more widely for alternative sources of funds. This might involve contributions from other Wirral Council budget areas if benefits can be shown to accrue to them, grants from the Regional Flood and Coastal Committee local levy, EU grants to Developer contributions. FCERM benefits are likely to feed through to the community in terms of property and land values, insurance costs against flooding and business and agricultural productivity over the long-term and this will need to be reflected in the alternative funding sources.

However, it is likely to need early involvement of Elected Members where those choices may require political support.

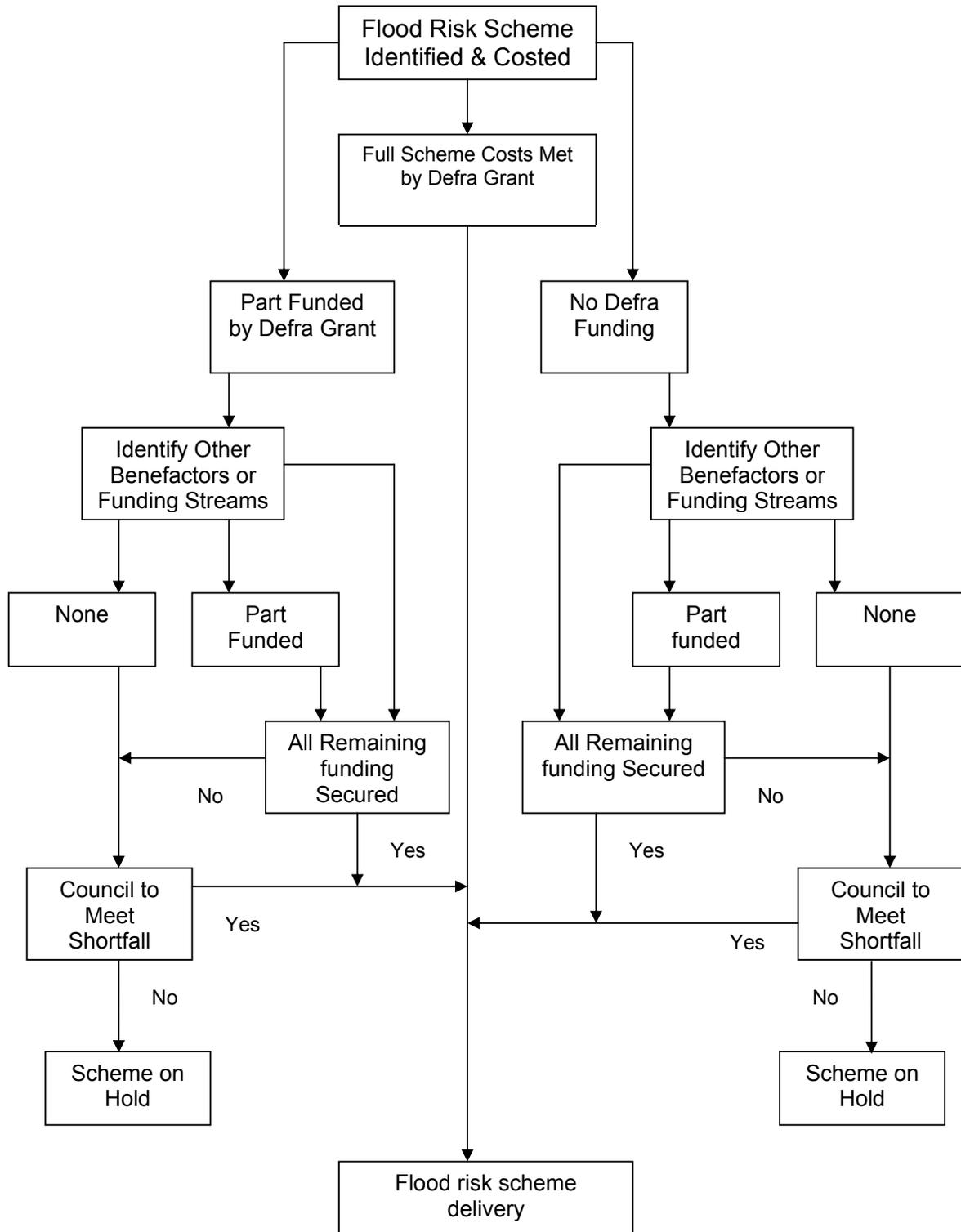
## **8.6 Investment Strategy**

Wirral Council will develop an Action Plan identifying those locations with the highest priority flood risk, assessing options to manage the risk or develop solutions which may remove or at least reduce the flood risk. This may include flood prevention, mitigation, and property resilience works or a combination of these.

The Action Plan will provide information to enable investment decisions to be made that support this investment strategy

Applications have been submitted to Defra for grant-in-aid funding to investigate flood risk across the Wirral, with initially support from within the Council's budgets. However, it is likely that additional funding will be required to enable these investigations to proceed to scheme identification and development. It is also likely that more substantial funding support may be necessary for any subsequent scheme delivery. Applications are submitted annually and these will be updated as better information concerning the flood risk, solutions, costings and possible funding streams are identified.

The Council will also work with its partners and stakeholders to identify measures that have the potential to attract the most funding / contributions.



**Figure 2: Flood Risk Investment Strategy Flowchart**

## **9. Monitoring Our Progress**

### **9.1 Action Plan**

Wirral will develop an Action Plan for each area as details of the existing and future flood risk are identified from its proposed investigations. They will be developed taking account of the available economic, ecological and sustainability guidance and existing strategic studies and management plans. Additionally, any works that are proposed will take account of its contribution to climate change.

Where physical flood prevention measures are not feasible, the Action Plan will identify how we will work with the local community to provide information and advice that will assist and empower them to take responsibility for managing and protecting property and assets from the adverse effects should flooding occur. Amongst other things this could include details of flood resilience measures (and retrofitting where necessary) for the community, economy, natural, historic, built and social environment, flood warning systems / evacuation and emergency procedures, effective land management measures to reduce runoff and those areas that are prone or will be prone to flooding in future.

The Action Plan will provide Information and advice to individuals, businesses and the community that highlights the need to reduce greenhouse gas emissions due to its contribution to climate change and flood risk; and the importance of adaptation measures such as design resilience (retrofitting), land management (SUDS and flood storage), in further managing the risk of flooding. In addition this Information and advice will identify how biodiversity and nature conservation protection and enhancement measures can be incorporated into the management of local flood risk. The opportunity to incorporate biodiversity enhancements within the flood risk management options for areas at risk will be a design consideration. Additionally, the Council's obligations under the Habitats Regulations will require a Habitats Regulations Assessment to be undertaken on any Action Plan works which could affect European protected wildlife sites.

Wirral's geological features will affect what land management options can be employed to manage flood risk. The nature of the underlying geology can restrict infiltration, while the location of major aquifers beneath the Wirral will further restrict infiltration as a flood risk management option. Wirral has a legacy of land contamination arising from industrial development and other related operational practices. The distribution and nature of contamination is not fully known and therefore land owners and businesses who may wish to undertake flood risk management works will be made aware of this potential issue.

In addition, the Action Plan will provide information and advice on the importance of Wirral's designated and non-designated heritage assets in the flood risk area. The

location and presence of these sites will affect what land management options can be employed to manage flood risk. The advice provided in the Action Plan will also highlight the importance of adaptation measures such as design resilience (retrofitting) for historic buildings to prevent future deterioration of heritage assets. Also, identifying that using good design for flood risk management measures, particularly structural defences, river enhancement and other land management options will improve their look and feel and respect the settings of historic buildings.

## **9.2 Progress and Delivery**

Wirral's Operational Flood Group is a partnership between the various risk management authorities at Wirral Council, the Environment Agency and the sewerage undertakers of United Utilities and Dŵr Cymru Welsh Water. This group will oversee the delivery of the Action Plan by the each respective risk management authority.

Progress of the delivery of the Action Plan will be monitored by the Wirral Flood and Water Management Partnership and also subject to scrutiny through Wirral's Environment Policy and Performance Committee.

## 10. Environmental Appraisal

### 10.1 Strategic Environmental Assessment (SEA)

A Strategic Environmental Assessment (SEA) is a statutory assessment process, required under the Environmental Assessment of Plans and Programmes Regulations (the SEA Regulations, Statutory Instrument 2004, No 1633) which provide the legislative mechanism for transposing into UK law the European Directive 2001/42/EC 'on the assessment of the effects of certain plans and programmes on the environment' (the SEA Directive).

The SEA Directive and Regulations requires that an assessment be made of the effects that certain plans and programmes will have on the environment. It contains the links to corresponding legislation and policies, such as Biodiversity. It is a separate document to this Strategy intended to increase the consideration of environmental issues during decision making related to strategic documents.

The SEA identifies the significant environmental effects that are assessed as likely to result from the implementation of the local flood risk management strategy. The findings of the assessment are presented in an environmental report that is consulted upon, with the public, alongside a draft of the plan. Issues raised in the environmental report and in responses to the consultation must be considered by the Council before the Strategy is formally adopted.

SEA can be broken down into distinct stages or steps. The stages below are based on activities set out in the SEA Directive.

- its purpose,
- when it is undertaken,
- what is undertaken,
- what outputs are produced, and
- who may be consulted / involved.

The draft SEA report concluded that none of the measures in the draft LFRMS are likely to have significant negative effects on any of the SEA objectives. This is because of the nature of the LFRMS, which has an underlying aim of environmental protection through flood risk management, meaning that the effects of the strategy are largely positive.

The findings of the draft SEA Report has been taken into account in the preparation of this draft strategy. Following the public consultation between December 2014 and March 2015, a final draft Strategy will be produced and the SEA Report will then be updated to reflect any changes to the measures in this final draft. Once all the necessary changes have been made and the Council completes its formal internal approvals process, the document will be adopted as a Council strategy.

## **10.2 Habitat Regulations Assessment (HRA)**

A Habitats Regulations Assessment (HRA) considers the impacts of plans and proposed development on Natura 2000 sites. Natura 2000 sites are nature conservation sites of European importance and are designated either Special Protection Areas (for birds) or Special Areas of Conservation (for animals and habitats). In addition, Ramsar sites (Internationally Important Wetlands) are treated as if they were Natura 2000 sites in accordance with Government policy.

A HRA for this Local Flood Risk Management Strategy is required under the Conservation of Habitats and Species Regulations 2010.

## 11. Glossary

Term	Meaning
<b>Annual Event Probability (AEP)</b>	See SoP /Standard of Protection
<b>Aquifer</b>	A source of groundwater comprising water bearing rock, sand or gravel capable of yielding significant quantities of water.
<b>Assets</b>	Structures or a system of structures used to manage flood risk
<b>Building Regulations</b>	The UK Building Regulations are rules of a statutory nature to set standards for the design and construction of buildings, primarily to ensure the safety and health for people in or around those buildings, but also for purposes of energy conservation and access to and about other buildings.
<b>Catchment</b>	The area contributing surface water flow to a point on a drainage or river system. Can be divided into sub-catchments
<b>Climate Change</b>	Long term variations in global temperature and weather patterns caused by natural and human actions.
<b>Combined Sewer</b>	A sewer that drains both rainwater and foul water.
<b>Consequence</b>	A condition or occurrence traceable to a cause e.g. the flood was an inevitable consequence of the prolonged, heavy rains.
<b>Culvert</b>	A covered structure under a road, embankment etc, to direct the flow of water.
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>Discharge</b>	The discharge of a river is the volume of water, which flows through it in a given time. It is usually measured in cubic meters per second (m <sup>3</sup> /s).
<b>Drainage Authorities</b>	Organisations involved in water level management, including IDBs, the Environment Agency, and Regional Flood Defence Committees.
<b>Environment Agency (EA)</b>	Is a UK non-departmental public body of Defra with the principle aim of protecting and enhancing the environment to make a contribution towards the objective of achieving sustainable development. The Agency has principle responsibility for river (fluvial) flooding.
<b>Flood</b>	A flood is defined as when water covers land that is normally dry.
<b>Flood mitigation</b>	Methods of reducing the effects of floods. These methods may be structural solutions (e.g. reservoirs) or non-structural (e.g. land-use planning, early warning systems).
<b>Fluvial flooding</b>	Flooding from a main watercourse (brooks, streams, rivers and lakes etc) that occurs when the water features cannot cope with the amount of water draining into them, from the land. When

	rainfall is heavy and / or prolonged, a large amount of run-off reaches the rivers and eventually causes them to overtop their banks.
<b>Groundwater</b>	Water that is below the surface of ground in the saturation zone.
<b>Groundwater flooding</b>	Occurs when water levels in the ground rise above the natural surface. Low-lying areas underlain by permeable strata are particularly susceptible.
<b>Highway Authority (HA)</b>	A local authority with responsibility for the maintenance and drainage of highways maintainable at public expense
<b>Infiltration</b>	The passage of surface water though the surface of the ground / the entry of groundwater to a sewer.
<b>Lead Local Flood Authority (LLFA)</b>	Local Authority responsible for taking the lead on local flood risk management.
<b>Ordinary Watercourse</b>	Any watercourse that does not form part of a main river and is not classified as a main river.
<b>Pluvial Flooding</b>	Flooding that results from rainfall generated overland flow before the runoff enters any watercourse or sewer. It is usually associated with high intensity rainfall events. Also referred to as surface water flooding.
<b>Pollution</b>	A change in the physical, chemical, radiological or biological quality of a resource (air, water or land) cause by man or man's activities that is injurious to existing, intended or potential uses of the resource.
<b>Prevention</b>	Site design and management to stop or reduce the occurrence of pollution and to reduce the volume of runoff by reducing impermeable areas.
<b>Probability</b>	The statistical probability of a flooding episode (event) occurring.
<b>Protection</b>	The flood event return period above which significant damage and possible failure of the flood defences could occur.
<b>Public sewer</b>	A sewer that is vested in and maintained by a sewerage undertaker.
<b>Recovery</b>	The process of rebuilding and rehabilitating the community following an emergency.
<b>Reservoir</b>	A natural or artificial lake where water is collected and stored until needed. Reservoirs can be used for irrigation, recreation, providing water supply for municipal needs, hydroelectric power or controlling water low.
<b>Resilience</b>	The ability of the community, services, area or infrastructure to withstand the consequences of an incident.

<b>Risk</b>	Measures the significance of a potential event in terms of likelihood and impact. In the context of the Civil Contingencies Act 2004, the events in question are emergencies
<b>Risk assessment</b>	A structured and auditable process of identifying potentially significant events, assessing their likelihood and impacts, and then combining these to provide an overall assessment of risk, as a basis for further decisions and action.
<b>Risk Management Authorities (RMA)</b>	Organisations that have a key role in flood and coastal erosion risk management as defined by the Flood and Water Management Act (2010). These are the Environment Agency, sewerage undertakers, lead local flood authorities, district councils where there is no unitary authority, internal drainage boards, water companies, and highways authorities.
<b>Run-off</b>	Water flow over the ground surface to the drainage system. This occurs if the ground is impermeable, is saturated or if rainfall is particularly intense.
<b>Sewer</b>	A pipe or channel taking domestic foul and/or surface water from buildings and associated paths and hard standings from two or more curtilages and having a proper outfall.
<b>Sewerage undertaker</b>	A collective term relating to the statutory undertaking of water companies that are responsible for sewerage and sewage disposal including surface water from roofs and yards of premises
<b>Significant</b>	Defined threshold of flooding consequence
<b>Standard of Protection</b>	The standard to which an area is protected against flooding. This is generally expressed as a Annual Event Probability (AEP). For example, an SoP of 10% means an area is protected against a flood with a 10% probability of occurring in any given year. An SoP of 0.5% AEP means an area is protected against a flood with a 0.5% probability of occurring in any given year. The flood with a 0.5% AEP has a lower likelihood of occurring than a flood with a 10% probability, but will be greater in severity (higher water levels). A 0.5% AEP standard of protection is therefore higher than a 10% standard of protection.
<b>Sub-catchment</b>	A division of a catchment, allowing runoff management as near to the source as is reasonable.
<b>Surface water flooding</b>	Occurs when the level of rainfall overwhelms the capacity of the drainage system to cope
<b>Sustainable Drainage Systems (SuDS)</b>	A sequence of management practices and control structures designed to drain surface water in a more sustainable fashion than some conventional techniques.
<b>Wastewater</b>	This is 'used' water arising from homes and businesses and includes water from sinks, toilets, bathtubs, washing machines and dishwashers – any water that has to be drained, including storm water.

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<b>Watercourse</b>	A term including all rivers, streams ditches drains cuts culverts dykes sluices and passages through which water flows
<b>Water Framework Directive (WFD)</b>	EU Water Framework Directive

<b>The aim of the local strategy is to ensure that the overall context of the National Strategy is met through Wirral's management of local flood and coastal erosion risk.</b>			
<b>Objective 1:</b>		<b>Understand the local risks of flooding and coastal erosion, working together with partners, other risk management authorities, organisations and the community to identify the causes and put in place long-term plans to manage these risks and make sure that other plans take account of them</b>	
<b>Actions for Delivery</b>		<b>Lead RMA</b>	<b>Timeframe</b>
<b>1a</b>	<p>Clearly define each Risk Management Authorities' (RMA) role and responsibility in relation to managing flood and coastal erosion risk in Wirral.</p> <ul style="list-style-type: none"> <li>• Develop an effective local governance framework for managing flood and coastal erosion risk</li> <li>• Formulate and formally agree with all RMAs which RMA will lead on different types of flood and coastal erosion risks.</li> </ul>	Wirral Council LLFA	Short Term
<b>1b</b>	<p>Improve and maintain the flood risk evidence base to support both risk assessment and the prioritisation of future actions to manage flood risk.</p> <ul style="list-style-type: none"> <li>• Undertake a study to identify, on a local level, areas at risk from surface water flooding, fluvial and sewer flooding.</li> <li>• Record local flooding incidents appropriately through a flooding register and use this information in all areas of flood risk management to help inform and manage risk.</li> <li>• Identify, map and risk assess all ordinary watercourses, ponds and reservoirs in Wirral to inform flood risk management decision making.</li> <li>• Capture and maintain up-to-date information on all Flood Risk Assets through the creation of a Flood Risk Asset Register.</li> <li>• Create an approach which defines when it is appropriate to 'designate' a structure or feature for flood risk management and maintain up-to-date information on all Flood Risk Designations through the creation of a Flood Risk Designation Register.</li> <li>• Update the Preliminary Flood Risk Assessment for Wirral in line with national guidelines.</li> </ul>	Wirral Council LLFA	Long Term

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<b>Progress</b>	Not Started	<b>Timeframe</b>	Short Term (0-12 months)
	In Progress		Medium Term (1-3 years)
	Complete		Long Term (3 years +)

<b>Objective 2:</b>	<b>Ensure that the guiding principles for sustainable development are applied and inappropriate development is avoided in existing and future areas at risk of flood and coastal erosion while elsewhere, carefully managing other land to avoid increasing the risks</b>		
<b>Actions for Delivery</b>		<b>Lead RMA</b>	<b>Timeframe</b>
<b>2a</b>	Develop an Ordinary Watercourse Consenting and Enforcement Policy to guide works and to ensure changes to ordinary watercourses are appropriate and sustainable.	Wirral Council LLFA	Medium Term
<b>2b</b>	Develop a formalised process for responding to planning application consultations <ul style="list-style-type: none"> <li>• Develop best-practice drainage guidance to assist developers in reducing flood risk to and from their schemes.</li> <li>• Adopt a consistent and proportionate approach to assessing development proposals</li> <li>• Develop Standing Advice to assist the local planning authority in assessing local flood risk and surface water drainage proposals on minor planning applications.</li> </ul>	Wirral Council LLFA	Short Term
<b>2c</b>	Engage and work with the local planning authority in the development of local planning policies. <ul style="list-style-type: none"> <li>• Assist the local planning authority in preparing evidence base documents in relation to the flood risk management, notably the Strategic Flood Risk Assessment</li> <li>• Engage and assist in the development of local planning policies which directly and indirectly impact on the management of surface water drainage and flood and coastal erosion risk management in Wirral</li> </ul>	Wirral Council LLFA, CPA and LPA	Long Term
<b>2d</b>	Work in partnership with other RMAs in the planning process to ensure a consistent approach is taken when commenting on planning applications in our consultee roles. <ul style="list-style-type: none"> <li>• Agree common principles and refer to each other consents and permits as and when needed in planning consultation responses.</li> <li>• Work with the local planning authority and the planning committee to build knowledge and understanding</li> <li>• Work with the local planning authority and the planning committee to build</li> </ul>	Wirral Council LLFA Environment Agency United Utilities	Short Term

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<b>Progress</b>	Not Started
	In Progress
	Complete

<b>Timeframe</b>	Short Term (0-12 months)
	Medium Term (1-3 years)
	Long Term (3 years +)

	knowledge and understanding in relation to the role and responsibility of each RMA in the different areas of flood risk management and the risks associated with flooding and coastal erosion in Wirral so that informed decisions can be made.		
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<b>Objective 3:</b>	<b>Where financially viable, build, maintain and improve local flood and coastal erosion risk management infrastructure and systems to mitigate or reduce the likelihood of harm to people and damage to the economy; environment (natural, historic, built and social) and society as a whole</b>
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<b>Actions for Delivery</b>		<b>Lead RMA</b>	<b>Timeframe</b>
<b>3a</b>	Develop a targeted Investment Programme of flood risk management works in Wirral, the progression of which will manage / reduce flood risk and improve water quality and biodiversity where possible. <ul style="list-style-type: none"> <li>Work in partnership with RMAs and other bodies to secure contributions from all potential sources where possible to deliver more schemes in Wirral Council</li> <li>Take a risk-based approach to the prioritisation of scheme delivery</li> </ul>	Wirral Council LLFA	Short Term

Page 253	<b>Objective 4:</b>	<b>Increase public awareness of the effects of climate change and the implications for an increase in flood risk, engage with people specifically at risk of flooding, to encourage them to take action to manage and/or mitigate the risks that they face and to make their property more resilient</b>
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<b>Actions for Delivery</b>		<b>Lead RMA</b>	<b>Timeframe</b>
<b>4a</b>	Work with householders and businesses at risk of local flooding to promote awareness and resilience, including property level works and encourage them to develop a personal flood plan.	Wirral Council LLFA	Medium Term
<b>4b</b>	Work with academic institutions to ensure Wirral is at the forefront of new thinking and can actively contribute towards research opportunities and incorporate the latest research into all aspects of work in relation to planning, flooding, coastal erosion, resilience and climate change where possible.	Wirral Council LLFA	Medium Term
<b>4c</b>	Develop Wirral Council's flooding webpages to ensure that emergency contact information is clearly displayed and is supported internally by an effective Local Response Plan and Multi-Agency Flood Plan.	Wirral Council LLFA and Corporate Resilience	Short Term

<b>Progress</b>	Not Started
	In Progress
	Complete

<b>Timeframe</b>	Short Term (0-12 months)
	Medium Term (1-3 years)
	Long Term (3 years +)

<b>Objective 5:</b>		<b>Support and assist those bodies responsible for improving the detection, forecasting and issue of warnings of flooding. Plan for and co-ordinate a rapid response to flood emergencies and promote faster recovery from flooding</b>	
<b>Actions for Delivery</b>		<b>Lead RMA</b>	<b>Timeframe</b>
<b>5a</b>	Deliver the recommendations of Section 19 Flood Investigation Reports to improve flood warnings and emergency responses to flood events following lessons learned during significant flood events in Wirral and elsewhere. <ul style="list-style-type: none"> <li>• Produce an Action Plan to deliver the recommendations of Section 19 Flood Investigation Reports</li> <li>• Monitor the delivery of Action Plans through governance arrangements to manage flood risk in Wirral</li> </ul>	Wirral Council LLFA and Corporate Resilience	Short Term
<b>5b</b>	Work with RMAs and other organisations to develop an effective and up-to-date Multi-Agency Flood Plan and Local Response Plan for flooding with clearly defined 'trigger' levels for each. <ul style="list-style-type: none"> <li>• Identify the roles and responsibilities of all involved in an emergency response, including those for updating the Plans.</li> <li>• Identify clear communication pathways, including during out-of-hours and for all those involved in responding from coordination through to on-the-ground operational level.</li> <li>• Confirm and clearly communicate Wirral's position on sandbags</li> </ul>	Wirral Council Corporate Resilience	Medium Term
<b>5d</b>	At a localised level, work with the Emergency Services, Members and communities at risk of flooding to help communities become flood aware, flood prepared, and flood resilient. <ul style="list-style-type: none"> <li>• Through use of the constituency forums engage with communities and provide direction on how to become flood aware, flood prepared, and flood resilient.</li> </ul>	Wirral Council LLFA and Corporate Resilience	Medium Term

<b>Progress</b>	Not Started
	In Progress
	Complete

<b>Timeframe</b>	Short Term (0-12 months)
	Medium Term (1-3 years)
	Long Term (3 years +)



**COUNCILLOR  
STUART WHITTINGHAM**

**CABINET  
18 July 2016**

**TRANSPORT PLAN FOR  
GROWTH PROGRAMME  
2016/17**

**Councillor Stuart Whittingham, Cabinet Member - Transport and Infrastructure, said:**

Our ambitions for Wirral - a thriving, growing economy with high-paying jobs for our residents - are dependent on a transport network which is safe, efficient and attracts employers to our Borough.

I am delighted that we are in a position to recommend investment of £1.375m into improving our highway infrastructure, supporting the priorities set out in our Connecting Wirral Transport Strategy.

This investment will help bring about further growth in our economy, it will help reduce carbon emissions and - crucially - it will further improve our roads to support our residents to travel safely and efficiently.

**REPORT SUMMARY**

On the 15<sup>th</sup> April 2016, the Liverpool City Region Combined Authority allocated £1,375,000 of Integrated Transport Block funding to Wirral Council, to support the delivery of the Liverpool City Region Transport Plan for Growth during 2016/17. This report seeks Cabinet approval to accept the £1,375,000 and allocate it to priorities and projects as outlined in the report.

Wirral Transport Plan For Growth programme supports the Wirral Plan pledge to provide Transport and Technology Infrastructure fit for the future by ensuring that Wirral has safe,

affordable, well maintained and efficient transport networks for residents to access community services, leisure facilities and commute to work. Specifically the key priorities within the Connecting Wirral Transport Strategy for keeping traffic moving safely and efficiently and encouraging healthy, active travel are delivered through the proposed programme.

This is a Key Decision and affects all Wards within the Borough.

## **RECOMMENDATION/S**

Cabinet is requested to:

- (1) Approve the acceptance of £1,375,000 of Integrated Transport Block funding allocated to Wirral Council by Liverpool City Region Combined Authority;
- (2) Approve the proposed programme for this funding as set out in Appendix 1;
- (3) Delegate authority to the Head of Environment and Regulation, in conjunction with the Cabinet Member for Highways and Infrastructure, to make necessary adjustments to the priorities within the programme should the need arise due to financial or other factors.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To ensure that the transport capital programme reflects the Wirral Plan and the Transport Plan For Growth short-term implementation priorities, and has the flexibility to ensure delivery of the most effective schemes within the financial year.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 None. The proposed programmes and projects identified within this report enable the Council to comply with its Statutory Duties as set out in the Highways Act 1980, Road Traffic Regulations Act 1984, Road Traffic Act 1988, Local Government Act 2000 and the Traffic Management Act 2004 and address the priorities of the Liverpool City Region Transport Plan for Growth, and the Council's pledge to make sure that Wirral's roads are safe and well maintained and to reduce the number of people killed or seriously injured in road traffic accidents.

### **3.0 BACKGROUND INFORMATION**

#### **3.1 TRANSPORT PLAN for GROWTH**

- 3.1.1 The Liverpool City Region Transport Plan for Growth was endorsed by the Merseytravel Committee on the 12 February 2015 and approved by the Combined Authority on the 6th March 2015. A copy of the Transport Plan for Growth is available in the Members room or can be viewed at

<http://www.merseytravel.gov.uk/about-us/local-transport-delivery/Documents/8375%20Plan%20for%20growth%20WEB%20FINAL.pdf>

- 3.1.2 The Council's priorities for keeping traffic moving safely and efficiently and encouraging healthy, active travel as set out in the Connecting Wirral Transport Strategy, are supported by the Transport Plan for Growth.
- 3.1.3 The Transport Plan for Growth reflects the changes in transport funding since the production of the Merseyside and Halton LTPs. In 2012 the Government instigated a process of devolving major scheme funding, with the primary decision making bodies on the use of the devolved funding being newly created Local Transport Bodies. These were voluntary partnerships between local transport authorities and Local Enterprise Partnerships. These bodies have now been superseded by the Combined Authority.
- 3.1.4 The Government has now empowered authorities such as the Combined Authority to deliver sustainable growth. Transport policy is a key part of this and the Transport Plan for Growth is fundamental to the regeneration of the Liverpool City Region. It provides a platform for building on previous programmes of transport schemes and initiatives and ensures that the LTP's remain relevant and up to date, focussing on the national agenda for growth, and facilitates a joint commitment amongst City Region partners to align resources in an effective and efficient way. All core Department for Transport (DfT) funds such as the Integrated Transport Block are now to be allocated to deliver the priorities of the Transport Plan for Growth.
- 3.1.5 On 15<sup>th</sup> April 2016, the Combined Authority approved the allocation available for each district, which included £1,375,000 for Wirral.
- 3.1.6 The Transport Plan for Growth builds on the vision and aims set out in the Merseyside and Halton LTPs. Both LTPs support the 2011 White Paper "Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen" which sets out the Government's commitment to providing a transport system that supports economic growth whilst also addressing air quality and carbon reduction.
- 3.1.7 The Transport Plan for Growth is the key policy framework for future transport provision and consolidates Merseyside and Halton LTPs to provide a "strategic direction for transport which supports growth, regeneration and carbon reduction". The Plan articulates how transport in the Liverpool City Region will support wider strategic priorities in relation to health, housing, land use planning and economic development. Three priorities for transport have been defined;
- Growth
  - Low Carbon
  - Access to Opportunity

The Transport Plan for Growth is clearly aligned with the Growth Plan and the Connecting Wirral Transport Strategy and it is integral to, and supportive of, the City Region-wide work being undertaken in terms of housing and planning, employment and skills, economic development and the visitor economy.

The Transport Plan for Growth demonstrates how transport supports the wider strategic priorities of the City Region in terms of:

- Freight and Logistics
- Housing and Land-use planning
- Economic Development and Regeneration

- Employment and Skills
- Health and Wellbeing
- Carbon Reduction and Air Quality
- Connecting Communities
- Visitor Economy

Key priorities within the Transport Plan for Growth aim to deliver the following outputs/outcomes:

**Table 1:**

<b>Priorities</b>	<b>Output</b>	<b>Outcomes</b>
<b>Growth</b>	Supporting Freight and Logistics	Strengthening the City Regions competitiveness, support SuperPORT and access to the Port, reduce the impact of freight movement on local communities, promote the use of rail and make a major contribution to skills and employment opportunities.
	Maintaining and efficient and reliable highway network	Ensuring the network allows for the efficient and safe movement of people and goods, provides a safer environment for cycling & walking, and maintenance of existing assets central to achieving this, and is a key priority in the Connecting Wirral Transport Strategy.
	Closer integration with other sector strategies and plans	Provide a robust planning framework linking transport and future developments such as housing, tourism and infrastructure development in ways that can encourage the right level of investment, reduce long distance travel, improve accessibility and provide a framework for future funding.
<b>Low Carbon</b>	Lowering transport emissions	Reduce carbon emissions, improve air quality and improve health and provide a stimulus to the creation of new technologies in support of the City Region low carbon priorities.
	Delivering active travel	Improve and expanded facilities to encourage cycling and walking makes a significant contribution towards health and wellbeing, to facilitate an efficient and healthy transport network and is a key priority in the Connecting Wirral Transport Strategy.
<b>Access to Opportunity</b>	Improving Public Transport	To introduce further Bus Quality partnership schemes on key routes and continued investment on the rail network. This is to manage costly and inefficient congestion on the highway network. It will have a direct impact in disadvantaged areas, creating greater opportunities to travel, access employment and encourage a switch away from the private car, and foster wellbeing.
	Improve access to key employers and services	Supporting people who live in our most disadvantaged communities to access training and employment opportunities and other services that impact on their quality of life.
	Improving road safety	Introduce measures to encourage carbon reduction, promote sustainable transport and

		reduce the number and severity of road casualties.
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The Liverpool City Region Transport Plan for Growth will be delivered using funds from several sources including Highways Maintenance Funding, the Combined Authority’s transport levy, the Local Growth Fund, European Funding and the Integrated Transport Block. Section 3.2 sets out the detail of the Integrated Transport Block element of Wirral’s Transport Plan for Growth programme.

## **3.2 WIRRAL’S TRANSPORT PLAN FOR GROWTH PROGRAMME**

### **3.2.1 Overview**

Each of the Liverpool City Region partner authorities have developed their own Capital Programme which, when combined, form a Liverpool City Region-wide Implementation Plan. The programme also supports the Wirral Plan 20/20 pledge to make sure that Wirral’s roads are safe and well maintained and will continue to reduce the number of people killed or seriously injured on the roads in the Borough, and as set out in the Connecting Wirral Transport Strategy.

**Appendix 1** presents the proposed breakdown of Wirral’s ITB allocation of £1,375,000 for 2016/17 against potential projects.

Wirral Transport Plan for Growth programme has been formulated to reflect the key Connecting Wirral Transport Strategy and Transport Plan for Growth priorities and support the delivery of the outcomes set out in Table 1.

The Transport Plan for Growth Capital Programme for 2016/17 provides an allocation of £130,000 to the Constituency Committees (£32,500 per Constituency). Schemes will be identified by the individual Constituency Committees but will still need to be in line with the priorities, and contribute to the delivery of the Transport Plan for Growth.

### **3.2.2 Growth**

Road Safety initiatives have a major impact in reducing the number and severity of casualties on Wirral’s roads and, thereby making a contribution to tackling the negative impacts on the local economy and supporting the Council’s Growth Plan.

Such schemes and programmes address the obligations required as part of the Council’s Statutory Duties (as set out in the Highways Act 1980, Road Traffic Regulations Act 1984, Road Traffic Act 1988, Local Government Act 2000 and the Traffic Management Act 2004) and are proven with evidential information (e.g. DFT Road Safety Research Report no.108 ‘contribution of Local Safety Schemes to Casualty Reduction’) to reduce road accident casualties.

A number of proposed schemes and projects identified as having a direct impact on ‘driving growth & improving road safety’ will also by their very nature exhibit cross-benefits with other priority headings such as ‘enabling access to opportunity’ or ‘supporting a low carbon environment’.

### **3.2.3 Enabling Access to Opportunity**

Schemes have been developed that will encourage walking and cycling where it is safe and attractive to do so, thereby promoting a carbon friendly, sustainable and healthy alternative mode of transport supporting the Council's priority to 'drive growth' and to 'enable access to opportunity'. These schemes are also designed to complement the terms of reference adopted by the Wirral Active Travel Forum that advocate and promote safe, accessible and usable facilities and routes across the borough, making walking and cycling more attractive and accessible to residents, visitors, employees and businesses. This investment in infrastructure and safety for cyclists and pedestrians will also contribute to reducing the number and severity of casualties on the road network.

A programme of improvements will also continue to be identified, prioritised and implemented to compliment the Public Rights of Way Improvement Plan.

Opportunities to draw on external funding in this area to complement the ITB programme will also be explored. Such schemes by their very nature help to promote a healthy lifestyle and contribute to a reduction in Wirral's carbon footprint. Should any such funding application be successful, the Head of Environment and Regulation, in conjunction with the Cabinet Member for Highways and Infrastructure, shall be given delegated authority to identify suitable additional, enhanced or replacement schemes, which meet the priorities of the Connecting Wirral Transport Strategy and the Transport Plan for Growth.

### **3.2.4 Supporting a Low Carbon Environment**

A number of schemes and projects within the programme directly support the priority of a 'Low Carbon' Environment', in particular through the investment of infrastructure and improvement of facilities for cyclists and pedestrians. Other schemes and projects may include the implementation of the 'next generation' technology to improve information systems and help maintain free-flowing networks, increase journey opportunities and integrate a wide range of transport uses such as the replacement of existing obsolete or ageing pedestrian / traffic signal aspects with low-carbon Extra Low Voltage (ELV) technology, upgrading ageing pedestrian 'Pelican' crossings to 'Puffin' crossings and upgrade of signal infrastructure to support the latest technological advances in communications and bus priority. Similarly, the provision of variable message signing and CCTV for traffic monitoring purposes along with other intelligent telematic systems on the highway linked to the Council's Urban Traffic Control Centre, are designed to improve traffic network management.

In order to continue to support sustainable travel, funding has also been allocated to implement measures to encourage active travel and reduce single occupancy car trips.

### **3.2.5 Development Work**

Detailed 'Development Work' will continue to be undertaken aimed at meeting the constantly evolving range of demands linked to Connecting Wirral Transport Strategy and Transport Plan for Growth delivery. This budget allocation allows for the Advance Design of schemes for future programmes.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 All schemes are funded from the DfT Local Transport Capital Settlement for Integrated Transport Block (ITB) funding for 2016/17 totalling £1,375,000 and this is included In the Council's Capital Programme for 2016/17. Future revenue maintenance costs will be met from the Highway Maintenance Revenue Budget.

#### **5.0 LEGAL IMPLICATIONS**

5.1 The Council has statutory duties as defined by the Highways Act 1980, Road Traffic Regulations Act 1984, Road Traffic Act 1988, Local Government Act 2000 and the Traffic Management Act 2004.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 Existing staff resources will be used for the detailed investigation, design and supervision of these schemes, supplemented by external support where required.

#### **7.0 RELEVANT RISKS**

7.1 Failure to undertake the identified programme of works could result in the Council not meeting its Statutory Duties as set out in the Highways Act 1980, Road Traffic Regulations Act 1984, Road Traffic Act 1988, Local Government Act 2000 and the Traffic Management Act 2004.

7.2 Failure to undertake the identified programme of works would also result in a failure to support to deliver the priorities of the Liverpool City Region Transport Plan for Growth and the Council's priorities in the Connecting Wirral Transport Strategy.

7.3 The list of schemes identified has been prepared with initial estimates, however it should be noted that final schemes will be subject to the costing of detailed designs and statutory undertakers' works and further detailed investigations will be required prior to any final scheme being designed. Some of these schemes may also be subject to the requirement of a Traffic Regulation Order(s), and delivery may be dependent on resolving objections to proposals during consultation.

7.4 Should any of the schemes identified be found to be not viable upon further detailed investigation, or be completed for less than the indicative cost, it is recommended that the Head of Environment and Regulation, in conjunction with the Cabinet Member for Highways and Infrastructure shall be given delegated authority to identify suitable additional or replacement schemes.

#### **8.0 ENGAGEMENT / CONSULTATION**

8.1 Detailed scheme proposals will be subject to further Public and Ward Councillor consultation as appropriate and engagement with other interesting bodies (Active Travel Forum etc).

#### **9.0 EQUALITY IMPLICATIONS**

- 9.1 As part of the development of LTP3, a comprehensive Integrated Assessment (IA) was carried out in accordance with Government LTP Guidance. The IA included a number of assessments, including an Equality Impact Assessment (link attached below) that can demonstrate that there are no negative implications associated with the implementation of these activities on the ‘protected characteristics’.

[http://www.letstravelwise.org/files/741779878\\_2010%2012%20-%20Motts%20-%20Equality%20Impact%20Assessment%20Final%20Report.pdf](http://www.letstravelwise.org/files/741779878_2010%2012%20-%20Motts%20-%20Equality%20Impact%20Assessment%20Final%20Report.pdf)

- 9.2 The proposed programme of works that supports the Transport Plan for Growth strategy includes measures to assist the transport needs of all sections of the community.

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## **APPENDICES**

### **REFERENCE MATERIAL**

Liverpool City Region Combined Authority - ‘A Transport Plan for Growth’:

<http://councillors.knowsley.gov.uk/documents/g6257/Public%20reports%20pack%2006th-Mar-2015%2011.30%20Liverpool%20City%20Region%20Combined%20Authority.pdf?T=10&StyleType=standard&StyleSize=none>

<http://www.merseytravel.gov.uk/about-us/local-transportdelivery/Documents/8375%20Plan%20for%20growth%20WEB%20FINAL.pdf>

Connecting Wirral Transport Strategy

<http://s03vs-intrcm.core.wcent.wirral.gov.uk/documents/s50034608/Transport%20Strategy%20final%20version.pdf>

DFT Road Safety Research Report no.108 ‘contribution of Local Safety Schemes to Casualty Reduction’:

<http://webarchive.nationalarchives.gov.uk/+http://www.dft.gov.uk/pgt/roadsafety/research/rsr/theme5/rsrr108findings.pdf>

Rights of Ways Improvement Plan For Merseyside 2008 - 2018:

[http://www.letstravelwise.org/files/449842414\\_1427575285\\_RoWIP%202008-2018%20\(Final\).pdf](http://www.letstravelwise.org/files/449842414_1427575285_RoWIP%202008-2018%20(Final).pdf)

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

<b>Council Meeting</b>	<b>Date</b>
<b>CABINET</b> Wirral Plan: A 2020 Vision - Underpinning Strategies: Connecting Wirral	<b>27th June 2016</b>
<b>CABINET</b> (Local Transport Capital Funding & The Integrated Transport Block (ITB) Programme 2015/16)	<b>20th July 2015</b>
<b>CABINET</b> (Local Transport Capital Funding & The Integrated Transport Block (ITB) Programme 2014/15)	<b>13th March 2014</b>
<b>CABINET</b> (Local Transport Capital Funding & The Integrated Transport Block (ITB) Programme 2013/14)	<b>24th January 2013</b>

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## 2016/17 ITB - TRANSPORT PLAN FOR GROWTH CAPITAL PROGRAMME - PROPOSED PROJECTS

LOCATION	OUTCOMES	SUPPORTING PRIORITIES	£
<b>A41 New Ferry - Rock Ferry By-pass, Rock Ferry:</b> Rock Ferry Ward	Speed Enforcement Measures, Surface Treatment, Signing with predicted casualty reduction savings	Growth, Low Carbon	<b>£210,000</b>
<b>Brimstage Road, Brimstage Village:</b> Clatterbridge Ward	Vehicle-actuated signing / Speed Reduction Measures with predicted casualty reduction savings	Growth, Low Carbon	<b>£50,000</b>
<b>Clatterbridge Rd / Thornton Common Rd:</b> Clatterbridge Ward	Roundabout Safety Improvement works with predicted casualty reduction savings	Growth, Low Carbon	<b>£65,000</b>
<b>Column Road / Caldby Rd / Montgomery Hill, Caldby:</b> West Kirby & Thurstaston Ward	Minor Roundabout Improvements with predicted casualty reduction savings	Growth, Low Carbon	<b>£15,000</b>
<b>Leasowe Road / Gardenside, Leasowe:</b> Leasowe & Moreton East Ward	Route Improvements & Roundabout Safety Improvement works with predicted casualty reduction savings	Growth, Low Carbon	<b>£100,000</b>
<b>Liscard Rd, Liscard:</b> Liscard Ward	Minor Junction Improvements ('protected' right-turn lane) with predicted casualty reduction savings	Growth, Low Carbon	<b>£20,000</b>
<b>Old Chester Rd / Queen Street, Tranmere:</b> Birkenhead & Tranmere Ward	Traffic Regulation Order with predicted casualty reduction savings	Growth, Low Carbon	<b>£5,000</b>

<b>Upton Road / Vyner Road South, Bidston:</b> Bidston & St James Ward	Minor Roundabout Improvements with predicted casualty reduction savings	Growth, Low Carbon	<b>£15,000</b>
<b>Various Sites:</b> All Wards	Road Safety Measures at existing Controlled Pedestrian Crossings	Growth, Access To Opportunity, Low Carbon	<b>£100,000</b>
<b>Improvements to existing asset / other technological advancements:</b>	Conversion of obsolete Pelican crossings to 'Puffin' or 'Toucan' crossings at various locations, upgrade signal infrastructure supporting latest technological advances in communications and bus priority.	Growth, Access To Opportunity, Low Carbon	<b>£140,000</b>
<b>A41 - Torr Drive to Eastham Village Road, Eastham:</b> Eastham Ward	300m of new off-road cycleway and improved footway. Improved signalised crossing facilities for Cyclists & Pedestrians	Growth, Access To Opportunity, Low Carbon	<b>£150,000</b>
<b>The Birket (Pasture Road to Reeds Lane):</b> Moreton West & Saughall Massie and Leasowe & Moreton Wards	1050m of shared use (off-road) cycleway/footpath	Growth, Access To Opportunity, Low Carbon	<b>£150,000</b>
<b>Duke Street, Birkenhead:</b> Bidston & St James and Seacombe Wards	Measures to improve sustainable travel links via Duke Street Bridge to Wirral Waters developments	Growth, Access To Opportunity, Low Carbon	<b>£70,000</b>
<b>A41 / Pool Lane:</b> Bromborough Ward	20m of new off-road cycleway and improved footway.	Growth, Access To Opportunity, Low Carbon	<b>£7,000</b>
<b>Public Rights Of Way:</b>	Various low-cost measures to improve Wirral's Footpaths, Bridleways & 'Byways Open to All Traffic'	Growth, Access To Opportunity, Low Carbon	<b>£10,000</b>

<b>Various Locations:</b>	Various low-cost measures to support sustainable transport	Growth, Access To Opportunity, Low Carbon	<b>£8,000</b>
<b>Advance Design</b>	Advance development and design of potential 2017/18 ITB scheme programme(s) following completion and issue of 16/17 ITB programme	Growth, Access To Opportunity, Low Carbon	<b>£130,000</b>
<b>Constituency Committees</b>	Constituency Committee schemes (pedestrian dropped kerbs, 20mph zones, TRO's)	Dependent upon scheme - may 'link' to Access To Opportunity, Low Carbon	<b>£130,000</b> (£32,500 per Constituency)
<b>TOTAL:</b>			<b>£1,375,000</b>

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