



# Cabinet

<b>Date:</b>	<b>Thursday, 3 September 2009</b>
<b>Time:</b>	<b>6.15 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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

---

## AGENDA

### 1. 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.

### 2. DECLARATIONS OF INTEREST

The members of the Cabinet are invited to consider whether they have a personal or prejudicial interest in connection with any of the items on this agenda and, if so, to declare it and state the nature of such interest.

## CHILDREN'S SERVICES AND LIFELONG LEARNING

### 3. WIRRAL LIFELONG AND FAMILY LEARNING CHARGING POLICY 2009/2010 (Pages 1 - 8)

### 4. CONNEXIONS CONTRACT EXTENSION (Pages 9 - 10)

## HOUSING AND COMMUNITY SAFETY

### 5. BUILDING BRITAIN'S FUTURE - CHALLENGE FUND (Pages 11 - 22)

### 6. HOME PURCHASE ASSISTANCE LOAN SCHEME (Pages 23 - 30)

## **STREETSCENE AND TRANSPORT SERVICES**

- 7. ACCEPTANCE OF HIGHWAY ASSET MANAGEMENT GRANT (Pages 31 - 38)**

## **FINANCE AND BEST VALUE**

- 8. PROJECTED BUDGET 2010-11 (Pages 39 - 44)**
- 9. CORPORATE RISK REGISTER (Pages 45 - 58)**
- 10. DEFERRAL SCHEME FOR BUSINESS RATEPAYERS (Pages 59 - 62)**
- 11. CORPORATE RETENTION AND DESTRUCTION POLICY AND CORPORATE RECORDS MANAGEMENT POLICY (Pages 63 - 74)**

## **CORPORATE RESOURCES**

- 12. VALUE FOR MONEY PROFILES 2008/09 (Pages 75 - 84)**

## **CULTURE, TOURISM AND LEISURE**

- 13. PARKS AND COUNTRYSIDE SERVICE PROCUREMENT EXERCISE (PACSPE) (Pages 85 - 90)**
- 14. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

The following items contain exempt information.

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part I of Schedule 12A (as amended) to that Act.

## **FINANCE AND BEST VALUE**

- 15. REDUCTION OR REMISSION OF NON DOMESTIC RATES DUE TO HARDSHIP (Pages 91 - 98)**
- 16. DISCRETIONARY RATE RELIEF FOR NON PROFIT MAKING ORGANISATIONS (Pages 99 - 104)**
- 17. AGENCY STAFF CONTRACT (Pages 105 - 110)**

## **SOCIAL CARE AND INCLUSION**

- 18. VINCENT HARKINS DAY CENTRE - 7 CARDIGAN AVENUE, BIRKENHEAD (Pages 111 - 114)**

## **REGENERATION AND PLANNING STRATEGY**

- 19. REQUEST FOR FINANCIAL ASSISTANCE FROM A COMPANY (1)  
(Pages 115 - 120)**
- 20. REQUEST FOR FINANCIAL ASSISTANCE FROM A COMPANY (2)  
(Pages 121 - 126)**
- 21. TENDER REPORT - SUPPLY OF NORTH WEST DEVELOPMENT  
AGENCY INTENSIVE BUSINESS START UP SERVICE IN WIRRAL  
(Pages 127 - 132)**
- 22. ANY OTHER BUSINESS**

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

This page is intentionally left blank

## WIRRAL COUNCIL

CABINET - 3 SEPTEMBER 2009

### REPORT OF DIRECTOR OF CHILDREN'S SERVICES

#### WIRRAL LIFELONG AND FAMILY LEARNING CHARGING POLICY 2009/2010

---

#### EXECUTIVE SUMMARY

The report details the proposed increase to Lifelong Learning fees for 2009-10, in the light of LSC funding allocation.

#### 1. Background

1.0 Wirral Lifelong and Family Learning Service is funded by the Learning and Skills Council Greater Merseyside (LSCGM), through the Personal and Community Development Funding (PCDL) funding stream. The LSC funding is allocated annually for local authority adult learning as a grant, contingent on fulfilling planning requirements in partnership with LSCGM and Wirral PCDL partnership. A requirement of the LSC is that the service should review income targets and the policy for charging fees for adult courses.

#### 2. Financial Implications

2.0 Income is predicted at around £30,000 for 2008-09 and this is used to supplement courses. It is proposed to update the fee rates annually in line with other local providers of adult learning. An increase in fee income to approximately £33,000 is expected for 2009-10, which will be used by the WLFLS to help offset the actual reduction in funding. Any additional income could extend the number of courses offered.

2.1 Within the funding allocation, there is an assumption that fees will be charged for adult learning. Details of funding are outlined in Appendix 2. Following consultation with other local providers of adult learning to compare fee rates and remission policies, the service introduced fees for all adult courses in 2005. This had no apparent detrimental impact on recruitment of learners. There is no LSC expectation that fees are charged for Family Literacy, Language and Numeracy or Skills for Life courses. Many learners are eligible for fee remission following LSC national criteria: learners who are unemployed or on means tested benefits are eligible for free tuition.

2.2 To bring the service broadly in line with local colleges, it is proposed that for 2009-10, there is an increased fee to £1.95 from £1.85 per hour for entry and level one courses. Non-accredited leisure courses would continue to carry a fee of £3.30 an hour, as this is still a relatively under-developed area and continue at £2.40 per hour for level two courses which is a minority of courses. Very short taster courses could be free. Learners eligible for fee remission under LSC categories would continue to receive free tuition. The average fee for this type of Local Authority adult learning in 2006-7 was £2.61 ph and £2.44 ph for Metropolitan Boroughs. On average fees in Local Authorities rose by 12% in 2006-7. In Wirral they rose by 9% in 2008-9, and in 2009-10 the proposed rise is approximately 5%.

- 2.3 From 2007-08 nationally, provision in English for speakers of other languages (ESOL) no longer attracted automatic fee remission. Free tuition is offered to people who are unemployed or receiving income-based benefits. (LSC FE Funding Guidance 2008-9). In 2008-9 a reduced fee of £0.90 an hour was agreed for ESOL up to Entry 3. There are only a small number of enrolments in 2008-9; these have dropped slightly to around 70, although this may be due to new courses also being run by Birkenhead Sixth Form College. It is proposed to increase this fee slightly to £0.98 per hour, although the enrolments will be reviewed to check the impact.
- 2.4 The service works closely with schools, children's centres and other local providers to identify savings that can be made through shared use of premises and shared delivery to meet common goals and has been able to continue to provide adult learning to more learners in targeted areas. Additional funding for the service has been sought from project funding and LSC tenders, although these are more tightly focussed on employment outcomes than the general adult learning provision.
- 2.5 One amendment to the fee remission policy was implemented in 2008-9 following advice from the Acting Monitoring and Proper Officer that it was illegal under the Age Discrimination legislation (2006) to continue to offer the 25% discounts (£0.46 per hour discount) to over 60s who are not in full time employment. The implications of continuing to offer this discount were that it is treating people under 60 less favourably than those who are over 60 and discriminating against those under 60 in part time employment. Nationally most local authority adult learning services have removed their age-based concessions over the last two years. The impact of this change has been small. There have been a couple of complaints from older learners and whilst the overall percentage of learners over 60 has decreased to 15% from 18% of overall enrolments, this is probably due to the increase of younger learners and employment related programmes. The overall number of learners 60+ was 930 in 2007-8 and for the first 2 terms of 2008-9 it was 639, so it anticipated to be around the same at the end of the academic year.

### **3. Staffing Implications**

Currently no changes in staffing anticipated.

### **4. Equal Opportunities Implications**

Lifelong and Family Learning play a valuable contribution to improving the skills of Wirral residents. Much of the provision is located in disadvantaged communities and encourages people back into learning and employment.

### **5. Community Safety Implications**

There are none arising from this report.

### **6. Local Agenda 21 Implications**

Adult learning plays a valuable role in the well-being of the community through developing the skills and confidence of adults to become involved in their communities.

**7. Planning Implications**

There are none arising from this report.

**8. Anti-poverty Implications**

Much of the provision is located in disadvantaged communities and encourages people back into learning and employment. Adult learning has a major impact on child poverty and there are clear links between areas of deprivation and those with low levels of adult qualifications.

**9. Social Inclusion Implications**

Adult learning contributes to social inclusion and community cohesion.

**10. Local Member Support Implications**

There are none arising from this report.

**11. Background Papers**

LSC Funding Guidance 2009/10: update v2 April 2009.

**RECOMMENDATIONS**

Cabinet is requested to approve the changes in Lifelong Learning fees policy.

**Howard Cooper**  
**Director of Children's Services**

# WIRRAL

## WIRRAL LIFELONG AND FAMILY LEARNING SERVICE COURSE FEES POLICY 2009-10

### Introduction

Wirral Lifelong Learning Service has had a policy of charging fees for courses since 2005. The LSC, who fund the courses, expect us to set fees for all courses, the government view being that all adults who can afford to pay for learning should pay and public subsidy should be targeted at the most disadvantaged learners. Nationally, people who are unemployed or on means tested benefits are entitled to fee remission on LSC funded courses. Skills for Life courses are offered free for all adults who need them. Skills for life courses are Numeracy and Literacy at level 2 or below. Other courses are expected to generate fee income. In 2007-8 nationally, provision in English for speakers of other languages no longer attracted automatic fee remission. Free tuition is still available to priority groups – primarily people who are unemployed or receiving income-based benefits. (LSC FE Funding Guidance 2008-9). Fee remission in Wirral is granted according to agreed criteria following LSC guidelines.

Currently Wirral Lifelong and Family Learning Service is unable to meet demand for courses. Income generated from any fees is used to fund more courses and growth. The suggested updated policy is based on a rate comparable to other local providers. Work continues to be done in partnership with local colleges and others, to look at proposed fee levels and remission policy. In order to extend opportunities for adult learning in Wirral, Leisure Learning opportunities will be extended. This can only occur if full costs are met, so courses can only run where there are a minimum number of fee paying learners.

### Wirral Lifelong and Family Learning Service Policy

- Skills for Life - Adult literacy, and numeracy and family learning courses should be free (this is a national policy).
- ESOL up to Entry 3 level £0.98 per hour
- Entry and level 1 courses, are £1.95 per hour
- Short taster 4 hours or less, could be free, as a marketing tool.
- ECDL & Level 2 courses carry a fee of £2.40 per hour.
- Non accredited leisure courses carry a fee of £3.30 an hour.
- For specialist courses and courses commissioned by another organisation or with sponsorship from employers, a higher fee should be charged to cover costs.

### Typical costs will be:

Course	Number of hours	Full Cost 2008-9 £	Full cost 2009-10 £
2 hrs taster- e.g. Psychology, Spanish	2	0	0
Intro 1 term courses in: IT, gardening, arts, languages, psychology	20	47(inc £10 accreditation )	49
Non accredited leisure – e.g. local history, water colour painting (require minimum numbers to cover costs)	20	66	66
Level 2 courses & ECDL	60	144 (+ tests)	144 ( +tests)

### **Remission of Fees**

The policy regarding remission of fees is consistent with LSC guidelines.

**Fee Remission policy**

Most course fees are free to learners in receipt of Job Seekers Allowance or any other means tested benefit. Fee remission is also available in other circumstances:

**LSC Categories**

The categories of learners who are entitled to fee remission are (learners only need to be eligible under any single entitlement category):

<ul style="list-style-type: none"> <li>• Learners studying their first full level 2 qualification (qualification as identified on the LSC LAD database)</li> <li>• # Those in receipt of income-based benefits, formerly known as means-tested benefits, that is:             <ul style="list-style-type: none"> <li>a) unemployed people in receipt of income-based Jobseeker’s Allowance</li> <li>b) those in receipt of Council Tax Benefit</li> <li>c) those in receipt of Housing Benefit</li> <li>d) those in receipt of Income Support</li> <li>e) those in receipt of Working Tax Credit with a household income of less than £15,276</li> <li>f) those in receipt of Pension Credits (Guarantee Credit only)</li> </ul> </li> <li>• Unemployed people in receipt of contribution based Jobseeker’s Allowance</li> <li>• The unwaged dependants (as defined by Jobcentre Plus) of those listed above</li> <li>• Offenders who are serving their sentence in the community</li> <li>• Those taking learning aims that are funded as basic skills, excluding English for speakers of other languages</li> <li>• Asylum seekers eligible for LSC FE funding according to the <i>LSC Learner Eligibility Guidance 2008/09</i> and in receipt of the equivalent of income-based benefit (assistance under the terms of the Immigration and Asylum Act 1999) and their dependants</li> <li>• Certain learners participating in LSC-funded projects where identified in the project specification.</li> </ul>	<p>Free (proof is required)</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------

*(# this may change subject to discussion between LSC and Government Departments regarding changes in state benefits)*

**Other categories**

<ul style="list-style-type: none"> <li>• Registered unemployed, not in receipt of benefit</li> </ul>	<p>Free</p>
<ul style="list-style-type: none"> <li>• Under 19 Not eligible for subsidised adult education courses</li> </ul>	<p>Full cost to be recovered</p>

**Evidence**

Acceptable evidence of unemployment benefit or a means-tested state benefit would be official documentary evidence of the relevant means tested state benefit. Evidence of low income, such as pay slips, is insufficient to claim LSC fee remission funding and such learners should be referred to other government agencies for determination of means-tested state benefits.

**Examination / Registration / Certification Costs**

- Exam and certification costs to be covered by the learners, with the exception of Skills for Life qualifications or where costs are covered by another agency or organisation.

## **Refund of Fees**

The refund policy recognises that there are circumstances in which learners have a genuine reason to claim a refund. Refunds are offered in the following circumstances to all people who have enrolled on a class:

- Where the course closes as a result of lack of numbers to make the class viable.
- Where a class is cancelled by the service for any reason.
- The meeting times, venue or day of the class, are changed so that it is no longer possible for an individual to attend.
- A learner enrolls in advance of the course starting and pays a fee but prior to the course starting their circumstances change so that they are entitled to a free class. Note this would not apply once the course has started.
- In addition a refund may be offered where personal circumstances change so that it is impossible to attend the class.

## **Instalments**

Instalment payment options will be offered e.g. termly payments for courses of one-year duration. In circumstances where a learner is paying for a course by instalments they are not paying for part of the course, merely spreading the payment. If they dropped out of a course they would be liable for the full amount of the course.

## **Appeals**

*In exceptional circumstances learners who are not eligible for fee remission can appeal, in writing to the Head of Service to be considered for fee remission.*

## **Transfers**

A learner transferring from one course to another where the fee is the same will not incur an additional cost.

## **Review**

This policy should be reviewed annually in light of national changes in funding for adult learning.

## Appendix 2 Wirral Lifelong and Family Learning Service

The Learning and Skills Council has indicated that the Wirral annual funding allocation for August 2009 to July 2010 will be the same as it has been since for 2006-7 with no inflation rise.

	<b>2006-7</b>	<b>2007- 8</b>	<b>2008-9</b>	<b>2009-10</b>
Adult and community learning	£382,762	£382,762	£382,762	£382,762
Family learning	£273,915	£273,915	£273,915	£273,915
Neighbourhood Learning in Deprived Communities	£179,181	£179,181	£179,181	£179,181
<b>Total</b>	<b>£835,858</b>	<b>£835,858</b>	<b>£835,858</b>	<b>£835,858</b>
Learner targets for LSC	2482	2408	2408	2408
Actual learner nos. for LSC	2528	3282	*3180	

- not complete year figures

The Lifelong and Family Learning Service is fully funded from the LSC grant. Annual adjustments including savings will be made from within the service. There is no impact on the Council's budget. The impact of the actual reduction in funding is either there is a reduction in the numbers of learners or there is an increase in other income to allow for provision on current levels.

This page is intentionally left blank

## WIRRAL COUNCIL

### CABINET - 3 SEPTEMBER 2009

#### REPORT OF DIRECTOR OF CHILDREN'S SERVICES

#### CONNEXIONS CONTRACT EXTENSION

---

##### EXECUTIVE SUMMARY

This report requests that members agree to an extension of the existing Connexions contract with the Greater Merseyside Connexions Partnership for a period of 3 months from 1<sup>st</sup> October to 31<sup>st</sup> December 2009.

##### 1. Background

- 1.1 The commissioning of Connexions services has been the subject of previous reports to Cabinet. EU procurement regulations must be followed for the provision of Connexions Services covering the period 2009-2011.
- 1.2 For the period 1<sup>st</sup> April 2008 to 30<sup>th</sup> September 2009 arrangements are in place for Wirral to be the contract holding authority (on behalf of the 6 Merseyside Local Authorities) with Greater Merseyside Connexions Partnership Ltd.
- 1.3 For the period of the new contract, which was due to start on October 1<sup>st</sup> 2009, Halton will become the contract holding Authority.
- 1.4 The current 6 month contract is worth approximately £8.6m and is funded from LAA single pot allocations.

##### 2. Contract progress

- 2.1 The timescale to award the contract has been extended. An additional stage has been included in the process whereby the three prospective bidders submitted a detailed solution before their final bid.

The revised timeline is:

- Early July invitation to submit a detailed solution
  - Early August response and evaluation
  - September return of Best and Final Offer
  - End of September – preferred bidder announced
  - October – December transition arrangements (if required)
  - 1st January 2010 new contract starts.
- 2.3 The 6 Merseyside authorities and Greater Merseyside Connexions Partnership Ltd have agreed in principal to a 3 month extension of the existing contract to take account of the revised timeline.

### **3. Financial Implications**

3.1.1 The 3 month extension to December 2009 for all Merseyside Authorities will cost £4,171,290 as follows:

Liverpool	£1,266,520
Knowsley	£523,750
St Helens	£500,000
Sefton	£650,000
Halton	£420,570
Wirral	£810,450
<b>Total</b>	<b>£4,171,290</b>

3.1.2 In 2009-10 Wirral's Connexions budget is £3,501,900. Our agreed share of the payments profile for April – September totals £1,881,000, leaving £1,620,900 for the remainder of the year. The contract extension will cost £810,450 and is within the existing budget provision.

### **4. Staffing implications**

If Greater Merseyside Connexions Partnership are unsuccessful in winning this contract most of their employees should transfer under TUPE.

### **5. Equal Opportunities implications**

5.1 The success of the Connexions Service is crucial to the delivery of Every Child Matters outcomes.

### **6. Community Safety Implications etc**

There are none arising directly from this report.

### **7. Local Agenda 21 implications**

There are none arising directly from this report.

### **8. Planning implications**

There are none arising directly from this report.

### **9. Anti-poverty implications**

There are none arising directly from this report.

### **10. Social inclusion implications**

There are none arising directly from this report.

### **11. Local Member support implications**

There are none arising directly from this report.

### **12. Background papers**

There are none.

## **RECOMMENDATIONS**

Following confirmation from the 5 other Merseyside partner authorities who have agreed to pay their share of costs in order to extend the Connexions contract from 1<sup>st</sup> October to 31<sup>st</sup> December, that the existing contract with Greater Merseyside Connexions Partnership be extended.

WIRRAL COUNCIL

CABINET – 3<sup>rd</sup> SEPTEMBER 2009

REPORT OF THE DIRECTOR OF REGENERATION

## **BUILDING BRITAIN'S FUTURE – CHALLENGE FUND**

---

### **1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to seek Members approval to the submission of a funding bid to the Homes and Communities Agency (HCA) under the Governments Challenge Fund Initiative to provide 22 new housing units (which would be managed by a Registered Social Landlord) on sites in Seacombe, Bebington and Prenton (see Appendices).

### **2.0 BACKGROUND**

2.1 The pre-budget report in November 2008 announced the bringing forward of £775M spending on social housing improvements, new build and regeneration to kick-start housing recovery along with initiatives to respond to housing mortgage repossessions. Delivering more and better homes remains one of the Governments highest priorities and the Budget 2009 announced a further £1 billion package for additional investment in housing specifically targeted at the following:-

- £400m to help unlock currently stalled sites with the aim of leveraging in private development finance through a combination of reducing up front costs with equity, gap and infrastructure funding, including £80M to expand the Homebuy Direct Scheme. This 'Kick-Start fund' is aimed at housing sites which have planning approval in place, are viable but have stalled due to the impact of the economic decline;
- Strengthening the support given to homeowners who are at risk of repossession or eviction;
- £100M for English Local Authorities to deliver social housing, using their own land and with higher energy efficiency standards. The 'Challenge Fund' is for local authorities to deliver up to 900 new council homes through providing social housing grant to local authorities and allow for prudential borrowing serviced by rental income from properties;
- £110M for stalled private new build schemes and local authority-led energy efficient new build homes for Scotland, Wales and Northern Ireland;
- An extension of the stamp duty 'holiday' for all homes costing up to £175,000 until the end of 2009;
- £100M to improve insulation in 150,000 homes in the social sector in England through the Decent Homes programme;
- £50M to modernise housing for the armed forces.

2.3 On 29<sup>th</sup> June 2009 the Prime Minister announced 'Building Britain's Future' which set out the Government's plan for moving out of the economic downturn and to build a better, fairer and more prosperous society. In a letter dated 30<sup>th</sup> June 2009 to Leaders and Chief Executives of Local Authorities, John Healy, Minister for Housing and Planning set out a vision for a sharper focus on meeting local housing needs, with local authorities expected through their powers and democratic legitimacy to drive strategy and delivery in their own areas.

2.4 The Minister acknowledged Local Authorities commitment to the delivery of new housing and recognised that 94% of Local Area Agreements in the country now have the delivery of affordable homes amongst their priorities. However, in order to meet the vision set out in Building Britain's Future, £1.5Bn additional investment in new affordable housing has been committed. This is an increase on the original announcements made in the Budget with a focus on early delivery to meet urgent housing need, support recovery and restart construction. The £1.5Bn package consists of an additional £500M for the Kick Start Fund, additional £250M for the Challenge Fund and £750M available through the National Affordable Housing Programme. It is envisaged this funding will deliver the 20,000 new affordable housing construction starts over two years of which 13,000 will be for social rent creating an estimated 45,000 jobs over the three year construction period for these homes.

### 3.0 CHALLENGE FUND REQUIREMENTS

3.1 The Challenge Fund offers Local Authorities the opportunity to bid to the Homes and Communities Agency (HCA) for a 50% grant contribution towards the total scheme costs associated with delivering social housing on sites in Local Authority ownership. It also allows for prudential borrowing to be secured for the remaining 50% costs associated with the development with the rental income from the properties servicing the loan. The programme needs to deliver quickly and is available over the period 2009-2011. It is expected that a significant proportion of homes that are funded will achieve start on site in 2009/10 and that homes funded through this initiative will be completed by 2010-11.

3.2 There are a number of criteria and requirements associated with the Challenge Fund which the local authority must adhere to and meet in order to submit an application for funds. These include eligibility, tenure, value for money, deliverability, strategic fit, design and quality and use of local labour and apprenticeships.

3.3 Two of the key requirements for the Local Authority which have a bearing on the need to work in partnership with a local RSL are that bid submissions must be submitted on the HCAs Integrated Management System (IMS) which is used by all RSL's in submitting bids as part of the National Affordable Housing Programme (NAHP) with the HCA bidding guidance advising Local Authorities that they can appoint an agent already familiar and who has access to the IMS system to undertake the input of information on their behalf. The second is in relation to the ongoing ownership and management of the stock built. It is required that the ownership of the properties be retained by the local authority however for those local authorities who currently do not have any housing stock, it is expected the management will be carried out by a HCA accredited manager (namely a local RSL) to ensure tenants would be provided with an efficient and good management service.

3.4 Whilst future tenancies would be managed by an RSL, because local authorities offer secure tenancies for permanent properties, future tenants will enjoy, as part of their tenancy conditions, a statutory Right to Buy with agreed Right to Buy discounts. However local authorities can apply for certain exemptions under the Housing Act 1985 if the grant funded units fulfils the conditions under such provisions.

### 4.0 SELECTION OF SITES AND PARTNER REGISTERED SOCIAL LANDLORD

4.1 In response to the announcement of the Funding and to establish if Wirral had any potential sites which could apply to Challenge Fund, an assessment was undertaken of land/buildings which the Council currently has in its ownership and which has been identified as surplus to requirements. This process has identified the following three sites as potential bid submissions:-

1. Land at CherryBank, Wallasey
2. Former Older Persons Home at Kennet Close, Bebington
3. Land at Woodchurch Lane, Prenton

4.2 In the short time available to access the fund and in order to identify a suitable RSL partner each of the potential sites identified, an analysis of Registered Social Landlords stock holding was undertaken for the area along with the strength of their local presence in that locality and in the Borough as a whole. Across all three sites the four largest stock holders were identified along with an analysis of the level of presence. Across all three areas Wirral Partnership Homes has the largest existing management presence and accounted for 67.5% of the stock of the four largest RSL's present. WPH also have a good local presence through their Head Office in Wirral and also are accessible to local tenants in all three areas through their satellite based housing management staff. Following the bidding guidance, discussions with Wirral's HCA Investment Manager and the outcome of the analysis of potential local partners in the Borough, officers from the Housing Strategy Team entered into a dialogue with WPH as the preferred RSL to establish their interest in supporting the Council in the bid process and to deliver and manage the properties on the Council's behalf.

4.3 WPH have expressed their interest in working with the Council and as such have carried out some preliminary work at risk, to help in establishing estimated resources which would be required for a bid submission. Initial architect's plans have been drawn up to establish the density on each site which could be achieved in line with local housing need. This has established that a bid for 22 units consisting of 7x 2 bed bungalows, 3 x 2 bed and 2 x 3 bed houses and 8 x 2 bed flats could be achieved if a bid was to be submitted for funding and would assist in meeting Wirral housing need in the borough as identified in Wirral's Strategic Housing Market Assessment.

The breakdown of units on each site is as follows:-

Site	Area (Hectares)	Number of Units	Type of Units
Land at Cherry Bank, Wallasey	0.1376	4	4x2Bed bungalows
Kennet Close, Bebington	0.1692	5	5x2 bed bungalows
Woodchurch Lane, Prenton	0.3279	13	8x2 bed flats 3x2 bed houses 2x3 bed houses
<b>Totals</b>	0.6347	22	

4.4 The costs to develop all three schemes have been initially estimated at £2.8M which would consist of 50% funding from the HCA and 50 % through prudential borrowing. As the number of units being considered on all three sites is in total 22, the units will be held outside the HRA account (the threshold necessary to open a Housing Revenue Account is 50) The new units can be excluded from the HRA Account subsidy at the same time as bidding for grant. As Wirral does not have a HRA account and the number of units being proposed is under the threshold there would be no implications arising from submitting this bid for the HRA account.

4.5 In order to achieve delivery within the timescale set by the Government it has offered two opportunities to bid for Challenge funding. The first was by 31<sup>st</sup> July 2009 and the second is by 30<sup>th</sup> October 2009. Wirral was not in a position at the July deadline to consider a submission however through recent work undertaken there is now some confidence that we can meet the next and final bidding round deadline in October. In order to move forward to establish final scheme costs and for Wirral's bid to be stronger in terms of demonstrating deliverability in the short timescales for the Programme, planning approval will need to be sought. In preparation for this there are a number of preliminary investigations/work associated with the proposed development which will need to be undertaken. These include site, ecological and topographical surveys, independent assessment for Code for Sustainable Homes, and architects and planning fees up to planning stage. It is estimated these costs will be in the region of £105,000 and it is proposed to use the Regeneration Capital Fund for 2009/10 to meet these costs. However, Members should note these costs will be included in the overall scheme which will form part of the final bid therefore, if successful in securing Challenge Funding these costs would be reimbursed to the Council.

4.6 Furthermore, if Members agree to a bid submission for the Challenge Fund, Section 27 Housing Act 1985 consent is required when a Local Authority transfers the management of its housing to another body. This would be required unless the arrangement is covered by the general approval for housing management, this and the drawing up of a management agreement with a Registered Social Landlord would have to be undertaken by the Department of Law, HR and Asset Management.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The costs for the preliminary works estimated to be in the order of £105,000 (excluding VAT) is to be met from the Regeneration Capital Programme 2009/10. This will be fully recoverable if the scheme is successful. The delivery of the scheme currently estimated to be in the region £2.8m would be met by 50% grant funding from the Challenge Fund with the remaining 50% secured through prudential borrowing with the rental income from the properties servicing the loan. If the bid is successful Wirral would be required to enter into a funding agreement with the HCA.

#### **6.0 STAFFING IMPLICATIONS**

6.1 There are no staffing implications arising from this report as the preparation of the bid submission and any subsequent ongoing monitoring of the development schemes will be met through existing resources within the Housing Strategy Team. The future management of the schemes when completed will be managed by Registered Social Landlord for an agreed overall management fee.

#### **7.0 EQUAL OPPORTUNITIES IMPLICATIONS**

7.1 The redevelopment of these sites if the Council is successful in securing funding will help to promote greater choice and increase housing for local people.

#### **8.0 COMMUNITY SAFETY IMPLICATIONS**

8.1 This report has no community safety implications

#### **9.0 LOCAL AGENDA 21 IMPLICATIONS**

9.1 The redevelopment of these sites will help to reduce the occurrence of fly-tipping, dog-fouling and litter which often causes local residents concern.

9.2 The new housing developed will meet a minimum of Code for Sustainable Homes Level 3 thereby reducing energy, water and waste consumptions compared to non Code compliant developments.

## 10.0 **PLANNING IMPLICATIONS**

10.1 The Council and its partner RSL will need to apply for full planning permission for each of the proposed developments detailed in this report

10.2 The site located at Woodchurch Lane, Prenton is a grassed area which is designated as a Primarily Residential Area in the Council's Unitary Development Plan. The site lies within the area subject to the restrictions on new housing development set out in the Council's Interim Planning Policy for New Housing Development (October 2005 and reconfirmed by Cabinet in March 2009). The Council and its partner RSL will need to demonstrate the local affordable housing need required in this area before planning permission could be granted.

10.3 The site located at Kennet Close, Bebington is a former older person's home which would be cleared as part of the redevelopment of this site. The site is designated as a Primarily Residential Area in the Council's Unitary Development Plan. The site lies within the area subject to the restrictions on new housing development set out in the Council's Interim Planning Policy for New Housing Development (October 2005 and reconfirmed by Cabinet in March 2009). The Council and its partner RSL will need to demonstrate the local affordable housing need required in this area before planning permission could be granted.

10.4 The site located at Cherry Bank, Seacombe is a cleared site which formerly housed an old warehouse. The site is designated as a Primarily Residential Area in the Council's Unitary Development Plan and is identified as a Regeneration Planning Area in the Council's Interim Planning Policy for New Housing Development (October 2005 and reconfirmed by cabinet in March 2009).

## 11.0 **ANTI-POVERTY IMPLICATIONS**

11.1 The schemes aim to reduce poverty, isolation and exclusion by meeting local needs, improving quality of life and offering housing choice

## 12.0 **SOCIAL INCLUSION IMPLICATIONS**

12.2 The schemes highlighted in this report aim to promote social inclusion

## 13.0 **LOCAL MEMBER SUPPORT IMPLICATIONS**

13.1 This report will be of particular interest to Members representing the Prenton, Seacombe and Bebington wards.

## 14.0 **BACKGROUND PAPERS**

None.

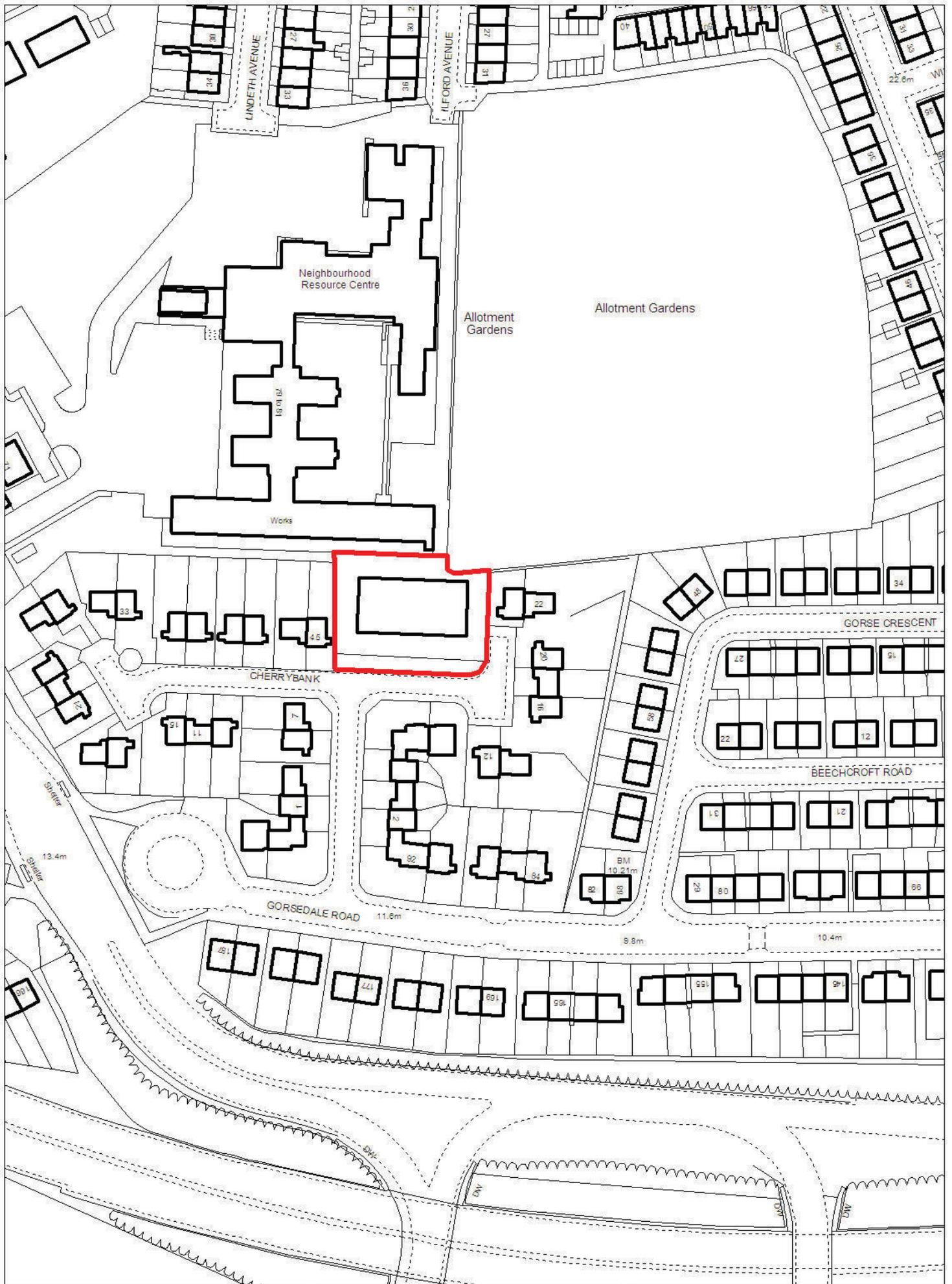
## 15.0 **RECOMMENDATIONS**

15.1 That, subject to the planning process, Members approve the use of £105,000 from the Regeneration Housing Capital Fund to undertake the preliminary works required to

support a bid submission to the Governments Challenge Fund Initiative to deliver 22 units of affordable housing on three sites in Wirral.

Alan Stennard  
Director of Regeneration

This report was prepared by Lisa Newman who can be contacted on 691-8197



Land at  
Cherrybank  
Wallasey



© Crown copyright. All rights reserved.  
Licence number 100019803.  
Published 2009

This page is intentionally left blank

# HIGHER BEBINGTON

Allotment Gardens

Allotment Gardens

Jireh Chapel

Kennet House



Land at  
48 Kennet Close  
Bebington



© Crown copyright. All rights reserved.  
Licence number 100019803.  
Published 2009

This page is intentionally left blank



Land at Woodchurch Lane  
Prenton

This page is intentionally left blank

WIRRAL COUNCIL

CABINET – 3 SEPTEMBER 2009

REPORT OF THE DIRECTOR OF REGENERATION

## **‘HOME PURCHASE ASSISTANCE’ LOAN SCHEME**

---

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report seeks Cabinet approval for the introduction of an equity-based ‘Home Purchase Assistance’ Loan. The loans would be available to support sustainable homeownership and would initially be targeted at ‘Housing Market Renewal’ new build schemes. A property appreciation loan of up to 30% of property value would be offered to potential buyers. This would assist those persons for whom a level of home ownership is a viable option, but are unable to access sufficient finance due to the current restrictions on mortgage lending.
- 1.2 The report also requests delegation to the Director of Regeneration to determine other residential property, owned by the Council, which may be included within the scheme. Examples of such property might include those ‘Housed’ properties which are proving difficult to sell.
- 1.3 If approved, the new loan product would be offered with immediate effect, using part of the Council’s allocation of Growth Point funds totalling £740,000, as agreed by Cabinet, 25 June 2009. It is proposed to use the existing contract with ART Homes Ltd, as the managing agent for this product, through a variation to the existing contract for Equity Relocation Loans and Equity Renewal Loans.
- 1.4 The loan product would only be offered to new applicants beyond 31<sup>st</sup> March 2011 if alternative funding is available and a review of the mortgage market deemed it necessary.

### **2.0 BACKGROUND**

- 2.1 During the current economic downturn the Government has sought to support access to homeownership. There are a limited number of ‘Homebuy’ (enables social tenants, key workers and first time buyers to buy a share of a home and get a first step on the housing ladder) and ‘Homebuy Direct’ (an ‘equity loan’ for up to 30 per cent of the cost of a home on designated property, subject to eligibility criteria) Schemes on Wirral which have been sponsored by the Homes and Communities Agency. Home Purchase Assistance would increase the options available to potential buyers on Wirral and would be accessible to a wider range of application than the Government backed schemes. It may also complement any ‘Kickstart’ (a funding programme intended to address the difficulties facing stalled sites which are ready to develop with planning permission in place) funding, that the Council is able to secure. Wirral Council is taking a proactive and supportive role in working with private developers to ensure construction continues through difficult economic circumstances.
- 2.2 Appendix 1 gives further information on how the Home Purchase Assistance Loan will be administered and the qualifying criteria, however, an overview of how the scheme will operate and the main risks to the Council.

### 3.0 THE PRACTICALITIES OF THE SCHEME AND KEY RISKS

- 3.1 The loan to be offered would be a Property Appreciation Loan and would therefore operate on a similar basis to the Council's current Equity Loan for Relocation. This loan is used to help owner occupiers move out of clearance areas and the Council has successfully issued 31 Relocation loans to date. The purchase loan would be calculated as a proportion of the market value of the property. When the property is sold the loan would be re-paid out of the proceeds of the sale. The amount repayable is the same proportion of the value of the house when sold.
- 3.2 Equity based Home Purchase Assistance Loans would be made available to targeted groups. The limit for such loans would be £54,000, which represents a 30% loan against a property valued at £180,000. Loans can be agreed by the Director of Regeneration under delegated authority.
- 3.3 An example of how the loan would operate against an average income level for the Borough of £33,522 are as follows: -

#### **2 Bed Property on Sevenoaks** (the former 'Fiveways' site in Rock Ferry)

Purchaser income £33,000

Property price £124,950

Commercial mortgage 70% property value = £87,465

Applicant deposit 5% of £87,465 = £4,373.25

So actual mortgage = £83,091.75

Price £124,950 - £83,091.75 (commercial mortgage) - £4,373.25 (deposit) = **£37,485**  
potential max equity stake

- 3.4 The worked example represents the potential maximum loan available for properties of that price, under the Home Purchase Assistance Scheme. If the Independent Financial Adviser (IFA) deems this loan product to be suitable then the test of resources determines the exact level of equity loan which is appropriate. The loan applicant may be advised to borrow a higher amount from the commercial lender to reduce the equity stake held by the Council.
- 3.5 The equity loan term will be 10 years, and reviewed after that time, when an assessment will be made of the purchasers' ability to buy out the Council's share. Therefore, loans are likely to be a long term investment by the Council. The amount of return on these loans is uncertain as the loan amount is linked to property values on the date of re-payment. In order to safeguard the Council it is proposed that the loan be collared (the level of re-payment cannot fall below the original loan amount). However, if prices do rise, the re-payment amount will rise and the homeowner and the Council will share in any increase. Cabinet should also be aware that the equity loan will rank behind the first charge (commercial mortgage) the purchaser takes out.
- 3.6 If prices were to fall and there is insufficient equity in the property to re-pay the loan, after the first charge has been redeemed, the Council may have to seek recompense directly from the former owner through the sundry debtor process. In this event there is no guarantee that the full sum will be re-paid to the Council. However, the risk of further decline and subsequent loss must be balanced against long term price rises. It is requested that the Director of Regeneration be given delegated authority to determine whether or not to pursue outstanding debts in the event of a shortfall. The buyer will be required to place a deposit of at least 5% against the value of their equity share to create a buffer to mitigate future risk of financial hardship and repossession proceedings by the first lender.

- 3.7 Eligibility for a loan will be determined by an Independent Financial Advisor (IFA) selected from the Local Authorities' list (access to the IFA would be arranged by the Home Ownership Advisory Officers). The relevant eligibility criteria would include: -
- an inability to access an alternative commercially available loan product for the full amount
  - a test of resources based on the advice of the IFA
- 3.8 The loan ceiling and eligibility criteria will be reviewed regularly in line with changes in the commercial mortgage market. The maximum loan available may also be subject to the rules of the lender involved, regarding the amount of security required for the loan. This would depend upon the size of the mortgage and any other loans secured against the property.
- 3.9 It is proposed initially that Home Purchase Assistance Loans will only be approved for the purchase of new build dwellings achieved through the Housing Market Renewal Initiative. However, it may also be available to purchase dwellings under the Council's 'Housed' Scheme and other residential dwellings owned by the Council but no longer required.
- 3.10 The loans will only be available for an eligible applicant to buy a property for owner occupation. Should the property cease to be the applicant's main home, then the loan would be repayable in full. As with the Equity Loan for Relocation Scheme, if the applicant dies whilst resident at the property, the Council will exercise discretion as to when repayment is required.
- 3.11 The applicant would be able to repay all or part of the loan at prescribed intervals, known as staircasing. It is suggested that a minimum repayment of 5% be allowed up to the total loan amount. Each time a repayment is proposed the property would require revaluation to assess its current market value and re-calculate the amount owed. As each re-valuation would incur a cost it is proposed that repayments are only made at 5 yearly intervals. However, approval is sought for the Director of Regeneration to waive this condition should a different frequency of repayment be necessary and if ART are unable to administer such a provision within their existing cost base. This condition would also not apply should the dwelling cease to be the applicants' main home at any time.

#### 4.0 **FINANCIAL IMPLICATIONS**

- 4.1 A proportion of Growth Point funds will be allocated in the sum on £740,000 during financial years 09/10 (£600,000) and 10/11 (£140,000) to fund this loan product.
- 4.2 The Council's equity loan will be the second charge on the charges register. Therefore, the equity loan will only be re-paid once the lending institution has recovered its outstanding debt. If following redemption of the first charge there is insufficient equity to cover the Council's loan, it is unlikely the Council will be able to recover any shortfall. Cabinet should also note that if the purchaser defaults on the first mortgage the lender may sell the property and the Council will only be entitled to any sale proceeds over and above the amount owed to the prior lender. The Council cannot control this amount which may exceed the original amount that the purchaser borrowed to buy the property. A first lender will not agree to cap its ability to recover.
- 4.3 Whilst the loan will operate in the same way as an Equity Loan for Relocation, the Home Purchase Assistance Loan carries a greater risk. This is due to the fact that the loan may be giving access to homeownership for the first time. Applicants for relocation loans will

have an existing property and are likely to have equity they can use against the new loan. First time buyers will have less experience of homeownership and may require the Council to hold a larger share of the equity.

- 4.4 The existing agreement with Wirral's property appreciation equity renovation and relocation loan administrator, ART Homes Limited, sets the fee structure for loan referrals. In relation to the projected number of new Home Purchase Assistance Loan referrals in 2009/10 and 2010/11 the fees that would be incurred are built into the existing contract and are considered to be competitive. Negotiations are currently ongoing with ART Homes Ltd to extend the current contract for a further 12 months beyond 2009/10. The current contract allows for its extension for a further 12 months and negotiations are currently underway. As part of these negotiations, ART Homes Ltd have indicated that they would be willing to administer the new loan. Given the time limited funding available for the new product (£740,000) and the expertise ART Homes Ltd have in the area of Property Appreciation Loans of this type, officers believe that increasing the scope of the existing contract to include the Home Purchase Assistance Loans represents value for money. The alterations required to the contract are minimal and ART are believed to be the only viable supplier that is willing and able to deliver the product both in line with the Growth Point funding stream and the progress on site at Sevenoaks, Rock Ferry.

#### **5.0 STAFFING IMPLICATIONS**

- 5.1 There are no staffing implications arising out of this report. The loan product will be administered using the existing staffing structure and through a revision to the ART Homes Ltd contract. The Home Purchase Assistance Scheme is being developed alongside Liverpool City Council and Sefton Council through the existing 'Newheartlands' pathfinder body.

#### **6.0 EQUAL OPPORTUNITIES IMPLICATIONS**

- 6.1 Wirral's support for sustainable home ownership will have a positive impact on some of the most socially and economically deprived areas of the Borough.

#### **7.0 COMMUNITY SAFETY IMPLICATIONS**

- 7.1 There are no community safety implications arising out of this report.

#### **8.0 LOCAL AGENDA 21 IMPLICATIONS**

- 8.1 Support for home purchase, particularly for new dwellings, with enhanced energy efficiency standards will assist in this regard. Better use of renewal building materials will positively contribute towards Local Agenda 21 priorities. Increasing people's mobility will also support the Council's Clearance Programme, removing poor dwellings, which in turn supports Local Agenda 21.

#### **9.0 PLANNING IMPLICATIONS**

- 9.1 There are no planning implications arising out of this report.

#### **10.0 ANTI-POVERTY IMPLICATIONS**

- 10.1 There are no anti-poverty implications arising out of this report.

## **11.0 SOCIAL INCLUSION IMPLICATIONS**

11.1 The loan product would widen access to homeownership and therefore promote social inclusion.

## **12.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

12.1 The product will initially only be offered within the HMRI area which covers the following wards: Bidston and St James, Birkenhead and Tranmere, Rock Ferry, Seacombe Liscard, Claughton, Oxton and Bromborough. However, funding may be made available across the Borough depending upon the applicant numbers, availability of finance and the Council's strategic objectives.

## **13.0 BACKGROUND PAPERS**

13.1 Home Purchase Assistance Loan Scheme Policy Document (Appendix 1)

## **14.0 RECOMMENDATIONS**

14.1 That Cabinet approves the introduction of a Home Purchase Assistance Loan Scheme within the terms set out in this report and the attached policy document (Appendix 1).

14.2 Cabinet agrees to prioritise Sevenoaks (formerly 'Fiveways'), 8 HOUSED properties and 3 Tudor Road decant properties acquired as part of the 'Fiveways' redevelopment scheme.

14.3 Cabinet gives delegated authority to the Director of Regeneration for determination of future availability of Home Purchase Assistance Loans for Council-owned dwellings that are to be sold.

14.4 Cabinet gives delegated authority to the Director of Law, Human Resources and Asset Management, to vary the existing contract with ART Homes LTD to deliver the Home Purchase Assistance Loan Scheme until 31 March 2011.

Alan Stennard  
Director of Regeneration

This report was prepared by Gavin Griffith, Senior Urban Regeneration Officer who can be contacted on 691 8126.

This page is intentionally left blank

## **‘HOME PURCHASE ASSISTANCE’ LOANS POLICY**

### **Background**

Equity loans can be made available to potential buyers, for the purpose of acquiring a home, subject to sufficient funding being available. The loan will only be available to purchase property identified by the Director of Regeneration in support the Council’s strategic objectives of promoting affordable housing and sustainable homeownership.

The loan is calculated as a proportion of the market value of the property. When the property is sold the loan is re-paid out of the proceeds of the sale. The amount repayable is the same proportion of the value of the house when sold.

Home Purchase Assistance Loans are in the form of a Property Appreciation Loan (PAL) and will be managed by ART Homes LTD.

### **Eligibility**

Home Purchase Assistance Loans are available to applicants who cannot reasonably afford to gain access to commercial loans to meet the full cost of homeownership but to whom subsidised homeownership is an affordable alternative. The loan will be aimed at first time buyers but will be available to any potential home buyer.

Eligibility will be determined by an Independent Financial Advisor (IFA) selected from the Local Authorities’ list (access to the IFA is arranged via a Home Ownership Advisory Officer).

The assessment undertaken by the IFA takes account of the criteria listed below:

- Applicant cannot obtain a sufficient commercial mortgage via an IFA at a reasonable rate (i.e. three times their income and no more than 2% above the Bank of England Interest Base Rate)
- A test of resources based on the advice of the IFA

The eligible amount of the loan is up to a maximum of 30% of property value, providing that a 5% deposit is paid against the commercial mortgage.

Loans will only be considered for applicants if the house being purchased is their main residence and only owned property. In the event that the property ceases to be their main residence, the loan amount will be repayable in full subject to discretion where the cessation is due to death.

## **Loan Conditions**

The maximum loan is subject to the rules of the commercial mortgage lender about the amount of security required.

Repayment of the loan must be made after 10 years or upon the sale of the property, whichever is sooner and is subject to other conditions applied by the loan administration provider. It will be possible for the applicant to increase their share of the property during the period of the loan. Known as staircasing, the applicants can choose to make a minimum repayment of 5% up to the total loan amount.

At the time of settlement, the property is re-valued, and the client repays the same percentage as originally borrowed, but of the value at the time of settlement. This is subject to a minimum amount equal to the original value of the loan.

If a loan is still active after 10 years it will be reviewed by ART Homes LTD in relation to the financial circumstances of the owner, their financial means to buy the Council's share and the affordability of this. At the discretion of the Director of Regeneration, loan periods may be extended beyond 10 years and in this event will be reviewed every 3 years.

Approval of a loan application must be made by the Director of Regeneration.

Appeals and complaints regarding Home Purchase Assistance Loans will follow the Council's Corporate Complaints procedure.

Breaches of loan conditions and recovery of the loan will be undertaken by the loan administration service provider, ART Homes LTD.

The loan will be secured as a charge placed against the property purchased and will sit as the second charge behind the commercial mortgage obligations.

## **Method of Application**

Preliminary enquiries are made through one of Wirral Council's Home Ownership Advisory Officers, by telephone, email or in writing. A formal application is by completion of standard application forms, along with supporting evidence.

## **Advice and Assistance**

Verbal and written advice is available from the Council's Homemovers Service on 0151 691 8107 or e-mail [privatesectorhousing@wirral.gov.uk](mailto:privatesectorhousing@wirral.gov.uk)

## WIRRAL COUNCIL

### CABINET – 3 SEPTEMBER 2009

#### REPORT OF THE DIRECTOR OF TECHNICAL SERVICES

#### ACCEPTANCE OF HIGHWAY ASSET MANAGEMENT GRANT

##### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to advise Members on the recent success of the Council in securing asset management funding from the Department for Transport (DfT) to assist in the development of the Council's asset management capability for managing and maintaining Wirral's highway network.
- 1.2 Members are requested to approve the use of the DfT Grant to deliver the Highway Asset Management Strategy outlined in this report.

##### 2.0 HIGHWAY NETWORK

- 2.1 The Council is responsible for the maintenance of the adopted highway network in Wirral and many infrastructure assets.

- 2.2 The extent of the Council's highway asset is:-

- 122 km of A roads
- 61 km of B Roads
- 922 km of unclassified roads
- 1250 km of pavement and footpaths
- 300 bridges and other highway structures
- 37,600 lighting units
- 5350 illuminated signs
- 14,000 traffic signs
- 102 traffic signalled junctions
- 141 pedestrian signal facilities
- 2.2 million square metres of grass
- 24,000 trees in landscaped area and highway verges
- 11.8 km of cycleway
- 117 km of public rights of way (public footpaths, bridleways etc)
- 54,000 road gullies

- 2.2 Also contained within the highway asset are various components of the network which are currently being assessed to record their length/number, location and condition.

These include:-

- Structures and street furniture in landscaped areas maintained by the Technical Services Department
- Highway drainage
- Council owned drainage culverts and ditches
- Pedestrian guard rail
- Highway seats
- Bollards
- Other items of street furniture such as information signs and street art.

- 2.3 The inspection and maintenance of all of the above assets is the responsibility of the Council and the frequency of inspection is specified in the Council's Highway Maintenance Policy.

2.4 Overall, annual expenditure on maintaining all the different components of the highway asset amounts to £7-8 million per annum and key activities are as follows:-

- Improving/resurfacing roads and pavements
- Maintenance of street lights and illuminated street furniture
- Maintenance of coastal structure, bridges and retaining walls
- Reactive repairs to roads including the renewal of road markings
- Reactive repairs to pavements including the maintenance of street furniture such as traffic signs, pedestrian guard rail, seats, bollards etc
- Winter maintenance
- Maintenance of road gullies and associated highway drainage

### **3.0 HIGHWAY MAINTENANCE POLICY**

3.1 The Council's Highway Maintenance Policy was adopted in January 2005 and is based on the following key principles:

- i) the compilation of a detailed inventory of all components of the network
- ii) a statement of highway maintenance policies and procedures
- iii) a defined hierarchy for all elements of the network to meet the needs of the highway user
- iv) a consistent approach for inspecting, recording, prioritising and programming maintenance works
- v) the effective use of limited resources to achieve safety, serviceability and sustainability
- vi) procedures for dealing with the implications of winter service operations, statutory utility works, deficient drainage systems and the planning of major/minor highway improvement/reconstruction schemes on the availability of the network to the user
- vii) the effective management of the Council's maintenance contractors operations in relation to:-
  - a) surfacing and reconstruction schemes
  - b) street lighting repairs and renewal
  - c) highway drainage minor works and gully cleansing
  - d) traffic signal maintenance
  - e) grounds and tree maintenance
- viii) the effective use of condition information in determining future maintenance programmes and the reporting of National Performance Indicators.

### **4.0 DEVELOPMENT OF AN ASSET MANAGEMENT PLANNING APPROACH**

4.1 In recent years the concept of highway asset management has become increasingly important for the management of highway networks. In June 2004 the County Surveyors Society published the "Framework for Highway Asset Management" which encouraged highway authorities to develop a strategic approach to highway asset management.

4.2 In conjunction with the other Merseyside Authorities, Wirral has commenced work on the preparation of a Highway Asset Management Plan (HAMP) and the fundamental aim of developing the plan is to initially determine:

- i) What assets do we have? (Inventory)
- ii) Where are they?
- iii) What condition are they in?
- iv) How much money do we spend on them?

- v) What service is being provided?
  - vi) Is the service satisfactory?
  - vii) What is necessary to maintain/improve the service for service users?
- 4.3 The inventory data of the assets identified in paragraph 2.1 is comprehensive and has been compiled through surveys undertaken during the last five years and is recorded in various separate bespoke computer systems.
- 4.4 Generally the condition data recorded assists in the preparation of maintenance programmes but some of the data is inaccurate and needs to be reassessed.
- 4.5 The highway network and other transport infrastructure assets together represent by far the biggest capital asset that the Council holds.
- 4.6 The cost of replacing the highway asset including bridges and highway structures is estimated to be in the region of £1.65 Billion and its continued maintenance is therefore vital to economic prosperity in the Borough.
- 4.7 Traditionally Council inventory records have been poor and few local authorities know what their infrastructure is worth, what it consists of and its condition. Nor do they have the detailed information that is needed to ensure that the money being spent is delivering best value resulting in a perception of a poor management approach.
- 4.8 Wirral's data inventory is generally good but data condition in some areas is out of date and is in the process of being updated.
- 4.9 The Department for Transport has recognised this fact by allocating grant funding to assist authorities to develop their asset management capability for their highway assets and to assist in the development of their Highway Asset Management Plans.
- 4.10 The Audit Commission has announced that asset management will feature in the Key Lines of Enquiry to be followed in the new Comprehensive Area Assessment from this year.
- 4.11 Based on these factors, the development of a new Highway Asset Management Strategy including new ICT system was identified as an important consideration in the new Highway and Engineering Services Contract with Colas that commenced in April this year. Due to the mutual benefits to both organisations, Council officers will be looking to seek a financial contribution from Colas if possible.

## **5.0 DEPARTMENT FOR TRANSPORT ASSET MANAGEMENT GRANT**

- 5.1 In July 2008 the Department for Transport invited local authorities to bid for Asset Management funding to assist them with developing their asset management capability with regard to their highway asset inventories.
- 5.2 The DfT recognises that an authority's highway network is the largest and most visible community asset that it is responsible for, and in order to fulfil its potential, it is crucial that the local highway network is managed efficiently. Asset management is about ensuring the asset provides the service the public want from it. They also recognise that good asset management starts with knowing what assets you have what condition they are in and what they are to be used for. The extra funding will help local authorities to gather and use the data they need to ensure they get the best from the infrastructure they manage.

- 5.3 Following submission of the bid in December 2008 the Council received notification in February 2009 that it had been successful in its bid and had been allocated the maximum grant available.
- 5.4 The grant was based on Wirral's total road length and amounted to £84,000 in Capital Funding and £50,000 in Revenue Funding.
- 5.5 Details of the grant approval and conditions are attached.
- 5.6 It is proposed that this funding is used to assist the delivery of the Highway Asset Management Strategy set out in the next Section.

## **6.0 PROPOSED HIGHWAY ASSET MANAGEMENT STRATEGY**

- 6.1 As part of the recent restructuring of the Highway Maintenance Division an Asset Management Section was created with a specific objective to improve the management of the Council's highway network/asset.

In order to achieve this objective it will be necessary to;

- Compile a detailed inventory of all components of the network to enhance our knowledge of the asset to use the data collected to improve our management capability.
  - Ensure that the data collected is fit for purpose and of sufficient quality to determine future investment requirements, prioritise improvements, calculate asset value, improve condition of the asset and improve customer satisfaction.
  - Use data collected to develop a HAMP.
  - Establish an asset register as a prerequisite of a cost effective maintenance regime.
  - Manage the data by ensuring that databases are kept up to date and integrated into a single software system.
  - Adopt a Whole Life Costing approach resulting in reduction in reactive maintenance.
  - Increase planned maintenance resulting in a slowing in deterioration and reducing the need for reconstruction.
  - Develop a long-term data strategy.
  - Procure a single software package as part of a new integrated Asset Management ICT system to store and manage data.
  - Liaise with Term Maintenance contractor, Colas, to determine their experience and knowledge of Asset Management Systems used in other authorities where Colas are the maintenance contractor or operate PFI contracts.
- 6.2 The implementation of the Asset Management Strategy project is at an early stage. Subject to Cabinet approval to accept the Grant and proceed with the Strategy, it will be necessary to prepare a detailed business case for the use of this project funding including a preferred procurement option.
- 6.3 A project management team has been set up comprising of highways technical staff from this department and ICT staff from the Department of Finance.

- 6.4 The initial objective of the team is to decide what ICT systems and development will be required to deliver the Asset Management Strategy including how the system integrates with the Council's existing CRM, financial and mapping systems.
- 6.5 When this objective is decided it will then be necessary to seek the advice of the leading industry experts and to visit other authorities to determine how these systems work in day-to-day maintenance operations.

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1 With regard to funding, it is the intention to use the grant from the DfT to contribute to the delivery of the Highway Asset Management Strategy including the costs of any new ICT systems required.
- 7.2 The cost of delivering the Strategy including a new ICT system may exceed the DfT Grant available and in the event that this is the case then subject to a continued robust business case it is proposed any shortfall will be met from mainstream Departmental Capital and Revenue budgets for highway maintenance.
- 7.3 The Grant funding has been allocated over a two year period. For 2008/09 the capital funding will be £43,600 with single revenue grant of £50,000. For 2009/10 the capital funding will be £40,800.

## **8.0 STAFFING IMPLICATIONS**

- 8.1 It is the intention to use a project management approach (similar to HESPE) for the implementation of an Asset Management Strategy within the Department and also the possible procurement of a suitable computer system. Existing Technical Services staff will be involved on the project, together with other ICT and Procurement specialists from the Department of Finance.

## **9.0 EQUAL OPPORTUNITIES IMPLICATIONS**

- 9.1 There are no implications under this heading.

## **10.0 COMMUNITY SAFETY IMPLICATIONS**

- 10.1 There are no implications under this heading.

## **11.0 LOCAL AGENDA 21 IMPLICATIONS**

- 11.1 There are no implications under this heading.

## **12.0 PLANNING IMPLICATIONS**

- 12.1 There are no implications under this heading.

## **13.0 ANTI-POVERTY IMPLICATIONS**

- 13.1 There are no implications under this heading.

## **14.0 SOCIAL INCLUSION IMPLICATIONS**

- 14.1 There are no implications under this heading.

## **15.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

15.1 The Council's approach to managing its highway network has implications for all wards.

## **16.0 ACCESS TO INFORMATION**

16.1 There are no implications under this heading.

## **17.0 RECOMMENDATIONS**

17.1 Cabinet is requested to:

- (1) Formally note and accept the Grant outlined in section 5.0.
- (2) Endorse the implementation of the Highway Asset Management Strategy described in section 6.0.
- (3) Approve the use of the DfT Grant to deliver the Highway Asset Management Strategy subject to business case confirmation.

DAVID GREEN, DIRECTOR  
TECHNICAL SERVICES

# Department for **Transport**

Mr Stephen Maddox  
Chief Executive  
Wirral Metropolitan Borough  
Town Hall  
Brighton Street  
WALLASEY  
Merseyside CH44 8ED

Andrew Oldland  
Policy Adviser  
Regional and Local Major Projects Division  
Department for Transport  
3/14 Great Minster House  
76 Marsham Street  
London  
SW1P 4DR  
Direct Line: 020 7944 2239  
GTN No: 3533 2239

Web Site: [www.dft.gov.uk](http://www.dft.gov.uk)

February 2009

Dear Mr Maddox

## **FUNDING FOR TRANSPORT ASSET MANAGEMENT**

I refer to the submission by Wirral Metropolitan Borough to the Department for Transport, for Element 1 asset management funding in 2008/09 and 2009/10 to assist authorities to develop their asset management capability for their highway assets.

Our Minister has carefully considered your submission and has decided to make the following allocation to Wirral Metropolitan Borough:

	Capital Funding	Revenue Funding
2008/09	43600	50000
2009/10	40800	-

You will be aware that the Government has asked the Chartered Institute for Public Finance and Accountancy (CIPFA) to implement CIPFA's recommended changes in local authority accounting for highway assets (the letter from the Chief Secretary to the Treasury to the CIPFA Chief Executive is attached). Although CIPFA have been asked to take a 'prepare and decide' approach which allows some flexibility in timing if necessary, we expect that your authority will be required to state its accounts on the new basis from 2011/12. The funding announced by this letter is intended to assist your authority with building up its highways asset inventory and analysis capability, but should also assist your authority with this change.

You should also be aware that the Audit Commission has announced that asset management will feature in the Key Lines of Enquiry to be followed in the new Comprehensive Area Assessment from this year. Audit teams will consider whether "the organisation has a strategic approach to asset management based on an analysis of need to deliver strategic priorities, service needs and intended outcomes".<sup>1</sup> We hope that all authorities are actively ensuring that they are moving towards meeting this goal with respect to their highway assets.

A grant determination for this sum is attached. Please contact me if you require any feedback about your allocation. I am copying this letter to the official from your authority that submitted the original bid for funding.

<sup>1</sup> Audit Commission (February 2009), *Use of Resources Framework: Overall approach and key lines of enquiry*, Appendix 1

**Yours sincerely,**

**Andrew Oldland**

## WIRRAL COUNCIL

### CABINET

3 SEPTEMBER 2009

## REPORT OF THE DIRECTOR OF FINANCE

### PROJECTED BUDGET 2010-2011

#### 1. EXECUTIVE SUMMARY

- 1.1. This report presents the projected budget for 2010-2011 which will be the final year of the Comprehensive Spending Review 2007 (CSR).

#### 2. BUDGET 2009-10

- 2.1. The summary budget for 2009-10 as agreed by the Council on 2 March 2009 is as follows:

	£m
Base Budget	316.9
Resources	
Formula Grant	152.8
Area Based Grant	31.0
Council Tax	129.0
Collection Fund	-0.7
Use of Balances	<u>4.8</u>
	316.9

#### 3. COMPREHENSIVE SPENDING REVIEW

- 3.1. The Comprehensive Spending Review (CSR) 2007, was announced on 9 October 2007. An initial report on the Pre Budget Statement by the Chancellor of the Exchequer including the CSR was presented to the Cabinet on 1 November 2007. The Department for Communities and Local Government (DCLG) announced the three year provisional Local Government Finance settlement on 6 December 2007 and the final settlement on 24 January 2008.
- 3.2. The provisional Local Government Finance Settlement for 2009-10 was issued by the DCLG on 26 November 2008. The provisional settlement restated the indicative figures included in the settlement issued on 24 January 2008 and was reported to Cabinet on 10 December 2008.
- 3.3. The final settlement was issued on 21 January 2009 which again confirmed the indicative figures for 2010-11.

3.4. In his budget speech on 22 April 2009 the Chancellor of the Exchequer stated that the main grant for 2010-11 would not be reduced but there will be reductions from 2011-12.

#### 4. **VARIATIONS IDENTIFIED FOR 2010-2011**

4.1. **Inflation** –Provision is included for pay and prices at 2% and for income at 3%.

4.2. **Capital Financing** – Cabinet on 10 December 2008 agreed the capital programme for 2009-2012 at an additional financing cost totalling £2.9m for 2010-11.

4.3. **Waste Disposal** – The waste disposal levy is projected to increase by 15.7%, £2.6m.

4.4. **Pension Fund** - The Pension Fund was actuarially revalued as at 31 March 2007. The phased implementation of the revised contribution rates over three years was agreed by the Cabinet on 12 December 2007.

4.5. **Merseytravel** – The Merseytravel levy is projected to increase by 4% in 2010-11, £1.0m.

4.6. **Invest to Save Schemes** – The Cabinet has agreed a number of invest to save schemes which will reduce expenditure by £0.4m in 2010-11.

4.7. **Private Finance Initiative** – Increase in PFI payments of £1.0m in 2010-11 as the PFI reserve reduces.

4.8. **Benefits Subsidy** – The Department for Work and Pensions has announced that benefits subsidy will be reduced by 3% per annum in real terms, 5% per annum in cash for certain elements of the subsidy, a reduction of £0.3m per annum.

4.9. **Technical Services** – the Director reported a number of budget variations to Cabinet on 23 July 2009 the net effect being an increased requirement of £0.1m for 2010-11.

4.10. **Other Unavoidable Growth** – A number of relatively minor items of unavoidable growth of less than £0.2m will arise. These should total less than £1m.

#### 5. **OTHER DEVELOPMENTS**

5.1. There are a number of other developments which are likely to impact on the financial position of the Authority during 2010-11. The impact of these issues will be reported to the Cabinet as and when they are resolved. Some of the potentially most important issues are:-

- (a) Global recession. This is likely to impact on the budget in many ways and will be kept under continuous review.

- (b) Review of the Local Authority Business Growth Incentive Scheme. A consultation paper on a revised scheme to commence in 2009 was reported to the Cabinet on 29 November 2007. Following further revisions there should be a grant of £0.2m in 2009-10 and in 2010-11.
- (c) Review of Supporting People Grant to be undertaken in 2009 with the grant to be absorbed into the Area Based Grant from 2010-11.
- (d) Implementation of the Business Rate Supplements Act 2009 which was reported to Cabinet on 29 November 2007.
- (e) Review of the population statistics to include the effects of recent migration, which was reported to the Cabinet on 16 April 2008.
- (f) A Green Paper Shaping the Future of Care Together was released on 14 July 2009 with consultation closing on 13 November 2009.
- (g) Transfer of the responsibilities of the Learning and Skills Council to Local Authorities from 2010-11.
- (h) Introduction of the Community Infrastructure Levy in October 2009.
- (i) Implementation of International Financial Reporting Standards from 2010 which was reported to the Cabinet on 9 April 2009.
- (j) Carbon Reduction Commitment to be introduced from 2010-11 which was reported to the Cabinet on 19 March 2009.

## 6. **BALANCES**

6.1. Council agreed the budget for 2009-10 with projected balances of £6m.

6.2. The out-turn for 2008-09 was reported to Cabinet on 25 June 2009 showing net overspending of £2.3m.

6.3. Cabinet on 25 June 2009 agreed to transfer £2.1m from the Insurance Fund to the General Fund.

6.4. Summary

	£m
Projected Balance	6.0
Overspending 2008-09	- 2.3
Insurance Fund	<u>2.1</u>
	5.8

6.5. The above summary assumes that all projected overspendings in 2009-10 will be contained by Directors.

## 7. EFFICIENCY REQUIREMENTS

- 7.1. The gap between projected expenditure and anticipated resources will need to be bridged by a combination of savings and/or increased Council Tax.
- 7.2. The efficiencies agreed in preparing the budget for 2009-10 included £0.5m which will become effective from 2010-11.
- 7.3. Apportionment of the efficiency requirement for 2010-11 in line with the agreed three year efficiency plan would produce the following targets which were reported to the Cabinet on 19 March 2009.

	£000
Adult Social Services	2,070
Children & Young People	1,200
Corporate Services	70
Finance	530
Law/HR/Asset Management	190
Regeneration	920
Technical Services	<u>620</u>
	5,600

- 7.4. Part of the Efficiency Investment Budget for 2010-11 is again being used to fund the following teams which are working on the delivery of the corporate change programme:-

	£m
Procurement and Creditors	1.3
Change	0.7
Customer Services Development	0.2
Adult Social Services Reform	<u>0.5</u>
	2.7

- 7.5. I am assuming an annual Council Tax increase of 4%.
- 7.6. The Minister for Local Government has stated that the Council Tax capping limit is likely to remain at 5%.

## 8. FINANCIAL IMPLICATIONS

- 8.1. The projected budgets for 2010-11 is compiled from the base budget for 2009-10 approved by Council on 2 March 2009, the Medium Term Financial Strategy 2009-2012 agreed by the Cabinet on 23 July 2008, and updated for the issues outlined in this report. The projected budget is shown in the Appendix.

## 9. STAFFING IMPLICATIONS

- 9.1. There are none arising from this report.

**10. EQUAL OPPORTUNITIES IMPLICATIONS**

10.1. There are none arising from this report.

**11. HUMAN RIGHTS IMPLICATIONS**

11.1. There are none arising from this report.

**12. LOCAL AGENDA 21 IMPLICATIONS**

12.1. There are none arising from this report.

**13. COMMUNITY SAFETY IMPLICATIONS**

13.1. There are none arising from this report.

**14. PLANNING IMPLICATIONS**

14.1. There are none arising from this report.

**15. LOCAL MEMBER SUPPORT IMPLICATIONS**

15.1. There are none arising from this report.

**16. BACKGROUND PAPERS**

16.1. Comprehensive Spending Review – HM Treasury – October 2007  
Medium Term Financial Strategy – 2009-2012 – July 2008  
Formula Grant Settlement 2009-10 – DCLG – January 2009.  
Estimates 2009-10 – March 2009  
Budget – HM Treasury – April 2009.

**17. RECOMMENDATION**

17.1. That the projected budget for 2010-11 be updated and reported regularly to the Cabinet.

IAN COLEMAN  
DIRECTOR OF FINANCE

**WIRRAL COUNCIL  
PROJECTED BUDGET 2010-11**

	<b>£m</b>
Base Budget	314.2
Increased Requirements	
Pay Inflation	3.3
Price Inflation	3.6
Capital Financing	2.9
Waste Disposal	2.6
Pension Fund Revaluation	0.5
Merseytravel	1.0
Private Finance Initiative	1.0
Benefits Subsidy	0.3
Technical Services	0.1
Supporting People	10.3
Unavoidable Growth	1.0
Efficiency Investment Fund	<u>2.6</u>
	343.4
Reduced Requirements	
Income Inflation	-1.0
Invest To Save	-0.4
Area Based Grant	-0.4
Agreed Efficiencies	<u>-0.5</u>
Forecast Expenditure	341.1
Balances	<u>0.2</u>
	341.3
Resources	
Formula Grant	157.9
Area Based Grant	41.0
Council Tax	129.0
LAA Reward Grant	1.4
LABGI	0.2
Reserves	<u>0.5</u>
Forecast Resources	330.0
Shortfall	11.3
Council Tax Increase	5.2
Efficiencies required	6.1

## WIRRAL COUNCIL

### CABINET

3 SEPTEMBER 2009

## REPORT OF THE DIRECTOR OF FINANCE

### CORPORATE RISK REGISTER

#### 1. EXECUTIVE SUMMARY

- 1.1 This report summarises the review of the issues contained within the Corporate Risk Register. Cabinet is asked to consider and approve the draft revised Register.

#### 2. BACKGROUND

- 2.1 The Corporate Risk Register is a key element of the Risk Management Strategy. It contains those issues that have the greatest potential to prevent or frustrate the achievement of the Strategic Objectives as set out in the Corporate Plan. These issues are reflected in Departmental Service Plans and so are closely aligned with the Corporate Planning process as success in managing the risks is a key factor in overall performance. The achievement of the objectives is supported by the implementation of the control actions identified to mitigate the impact of the risks.
- 2.2 The existing Risk Management Strategy defines the following roles in relation to the Register.
- Chief Officers identify and evaluate the Corporate Risks.
  - Cabinet scrutinise the risks put forward by Chief Officers.
  - Corporate Improvement Group assists Chief Officers with the ongoing maintenance of the Risk Register in keeping it as a 'live' document.

#### 3. THE EXISTING REGISTER

- 3.1. The Register has been developed over time with the last version approved by Cabinet on 10 December 2008. It contained 31 risks made up of three elements:-
- (i) Broad medium term issues. These are a combination of individual risks which would have a significant corporate impact if they materialised, and risks which individually are perhaps of less importance but which pose a threat as they potentially impact on many or all departments.
  - (ii) A further set of risks identified by the Corporate Improvement Group through examination of departmental service plans.
  - (iii) 'Short term' risks added by Corporate Improvement Group following evaluation of issues escalated upwards by individual departments.

- 3.2. As many of the specific risks are in reality aspects of some of the broader risks and others could be more clearly defined a review of the Register has been undertaken.

#### **4. THE REVIEW**

- 4.1 The aim of the review was to rationalise the risks in order to produce a more easily understandable and manageable Risk Register. This included consideration of the approaches by other local authorities and particularly those regarded as demonstrating 'best practice' in risk management.
- 4.2 The analysis undertaken showed that there was little consistency as to the number of risks featuring in local authority Corporate Risk Registers nor whether the risks themselves were defined in broad or more specific terms.
- 4.3 Each of the risks was considered in turn in relation to the following points:
- Is the threat which it poses covered by another risk?
  - Does the risk remain a significant threat (or has it become less critical)?
  - Could the description be more meaningful and more easily understood?
  - Does the description truly describe a threat to a Corporate Objective?
- 4.4 The main changes made to the Register are as follows:-
- Through rationalisation the number of risks included is now 13.
  - Risks have been ordered so as to place together those which have a degree of relevance to each other.
  - An indicator has been included showing how the risks relate to the Corporate Plan objectives.
  - Information on the controls for each risk has been reduced to reflect solely those which are considered key to mitigating the risk.
  - Additional control actions relate directly to activity planned for the current year which should further mitigate the risk.
- 4.5 It is important to remember that the Register describes critical potential threats and that the inclusion of a particular issue does not mean that the event or situation described is a current problem, rather that it would be significant if it was not managed effectively. The revised Register which is appended represents the views of officers on the key challenges faced in delivering the Strategic Objectives. Cabinet is asked to consider and approve the document.

#### **5. FUTURE DEVELOPMENTS**

- 5.1. The review focused on rationalising the issues contained in the Register and updating information on key controls. A re-evaluation of the scores for each risk will be undertaken prior to the next update to Cabinet.
- 5.2 Progress against the risks on the Register will continue to be provided as part of the quarterly Performance and Financial Monitoring Report.

- 5.3 An improvement to current processes would be to involve Cabinet more directly and at an earlier stage in reviewing key corporate risks. This could form part of the annual refresh of the Corporate Plan priorities which could be extended to include an assessment of the resource implications and risks associated with achieving the priorities. Cabinet is invited to give its views.

## **6. FINANCIAL IMPLICATIONS**

- 6.1. Whilst there are no direct financial implications arising from this report, effective management of those risks with a financial impact will help improve value for money.

## **7. STAFFING IMPLICATIONS**

- 7.1 There are no direct staffing implications. However some of the corporate risks directly concern human resources issues.

## **8. EQUAL OPPORTUNITIES IMPLICATIONS**

- 8.1. Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

## **9. COMMUNITY SAFETY IMPLICATIONS**

- 9.1 Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

## **10. LOCAL AGENDA 21 IMPLICATIONS**

- 10.1. Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

## **11. HUMAN RIGHTS IMPLICATIONS**

- 11.1 Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

## **12. PLANNING IMPLICATIONS**

- 12.1 There are none arising from this report.

## **13. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 13.1. There are no specific implications for any Members or wards.

**14. BACKGROUND PAPERS**

14.1 Risk Management Strategy - July 2008.

14.2 Corporate Risk Register - December 2008.

**15. RECOMMENDATIONS**

15.1. That Members approve the Corporate Risk Register.

15.2 That progress in managing the corporate risks continues to be included in the quarterly Performance and Financial Monitoring Report.

15.3 That consideration be given to the proposal on how Cabinet can be more directly involved in future reviews of issues in the Register.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/202/09

**CORPORATE RISK REGISTER – SEPTEMBER 2009**

CORPORATE PLAN – OBJECTIVES	
1	To create more jobs, achieve a prosperous economy and regenerate Wirral
2	To create a clean, pleasant, safe and sustainable environment
3	To improve health and well being for all, ensuring people who require support are full participants in mainstream society
4	To raise the aspirations of young people
5	Create an excellent Council

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
1. Death or serious injury to a service user, staff member, or anyone to whom the Council owes a duty of care. <table border="1" data-bbox="152 986 539 1050"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td>√</td> <td>√</td> <td></td> </tr> </table>	1	2	3	4	5			√	√		<b>Stephen Maddox</b> <i>(Staff and general public)</i>	<b>High</b> 4x5 = 20	<ul style="list-style-type: none"> <li>Register of corporate H&amp;S risks developed.</li> <li>Corporate and departmental H&amp;S policy specifies roles and responsibilities</li> <li>Legislative Compliance Audit programme of all Council premises</li> <li>Programme of auditing H&amp;S management systems</li> <li>Delivery of essential emergency training for fire and first aid</li> <li>Investigation of all significant accidents &amp; incidents by H&amp;S Officers</li> <li>Delivery of training for significant hazardous work activities</li> </ul>	<b>Medium</b> 2x5 = 10	<ul style="list-style-type: none"> <li>Deliver Institute Of Safety and Health (IOSH) Managing Safely training to all Managers and Supervisors below Head of Service</li> <li>Review and develop H&amp;S arrangements</li> <li>Continuing audits of H&amp;S arrangements</li> <li>Implement health surveillance arrangements for occupational health risks</li> </ul>	<ul style="list-style-type: none"> <li>Mark Camborne</li> <li>Mark Camborne</li> <li>Mark Camborne</li> <li>Mark Camborne</li> </ul>	<ul style="list-style-type: none"> <li>Apr 2008 onwards</li> <li>Ongoing</li> <li>Ongoing</li> <li>Sept 2009</li> </ul>
1	2	3	4	5													
		√	√														

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
2. Safeguarding arrangements (children) are inadequate  <table border="1" data-bbox="152 470 539 534"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td>√</td> <td>√</td> <td></td> </tr> </table>	1	2	3	4	5			√	√		<b>Howard Cooper</b>  <i>(Children and Young People)</i>	<b>High</b>  <b>5x5 = 25</b>	<ul style="list-style-type: none"> <li>• Work of Local Safeguarding Children Board</li> <li>• LSCB monitors serious case review action plans.</li> <li>• Weekly performance monitoring of changes to contact and referral taking in CADT.</li> <li>• Monthly VCI reporting to the Chief Exec.</li> <li>• Lead Member Briefing following each LSCB</li> <li>• National Notification of Serious Child Care Incidents to OFSTED</li> <li>• Continuing programme for disseminating learning from serious child care incidents</li> <li>• Child Death Overview Panels</li> <li>• Continuing review of S118 IRO applications</li> </ul>	<b>Medium</b>  <b>2x5 = 10</b>	<ul style="list-style-type: none"> <li>• Review capacity to undertake regular audits across agencies;</li> <li>• Review LSCB governance arrangements;</li> <li>• Review serious case review framework;</li> <li>• Revised VCI framework for reporting to Chief Executive</li> <li>• Implement Child Care Risk Management procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Caroline McKenna</li> <li>• Caroline McKenna</li> <li>• Caroline McKenna</li> <li>• Julia Hassall</li> <li>• Julia Hassall</li> </ul>	<ul style="list-style-type: none"> <li>• Sept 2009</li> <li>• March 2010</li> <li>• March 2010</li> <li>• Sept 2009</li> <li>• Dec 2009</li> </ul>
1	2	3	4	5													
		√	√														

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
<p>3. Safeguarding arrangements (adults) are inadequate.</p> <table border="1" data-bbox="152 408 539 475"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td>√</td> <td></td> <td></td> </tr> </table>	1	2	3	4	5			√			<p><b>John Webb</b> <i>(Adults)</i></p>	<p><b>High</b> <b>5x5 = 25</b></p>	<ul style="list-style-type: none"> <li>• Extra capacity added to the DASS safeguarding adults unit</li> <li>• Whole system review of safeguarding completed &amp; recommendations being implemented</li> <li>• Risks identified and review being project managed</li> <li>• Training being rolled out across agencies</li> <li>• Regular monitoring reports to DASS strategic leadership team, project board and safeguarding adults partnership board</li> </ul>	<p><b>Medium</b> <b>2x5 = 10</b></p>	<ul style="list-style-type: none"> <li>• Continue to implement recommendations from whole system review</li> </ul>	<ul style="list-style-type: none"> <li>• Francesca Tomlin</li> </ul>	<ul style="list-style-type: none"> <li>• March 2010</li> </ul>
1	2	3	4	5													
		√															

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
<p>4. Inadequate preparation for / management of the impact of a pandemic</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </table>	1	2	3	4	5	√	√	√	√	√	Stephen Maddox	<p><b>High</b></p> <p>5x5 = 25</p>	<ul style="list-style-type: none"> <li>• Specific strategy updated regularly by Adult Social Services (DASS)</li> <li>• Ongoing work with Primary Care Trust (PCT)</li> <li>• Engagement with independent social care providers</li> <li>• Priorities for anti-viral drugs within workforce identified</li> <li>• Ongoing meetings with key agencies to ensure resilience for Pan Flu</li> <li>• Briefings to COMT &amp; Heads of Service by Health Protection Agency</li> </ul>	<p><b>Medium</b></p> <p>2x5 = 10</p>	<ul style="list-style-type: none"> <li>• Meet with relevant departments to ensure adequate numbers of trained staff and availability of supplies.</li> <li>• Identify buildings for distribution of anti viral drugs</li> <li>• Undertake Senior Officers Command &amp; Control Exercises</li> </ul>	<ul style="list-style-type: none"> <li>• Mark Camborne</li> <li>• Mark Camborne</li> <li>• Mark Camborne</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• July 2009</li> <li>• Sept 2009</li> </ul>
1	2	3	4	5													
√	√	√	√	√													
<p>5. Inadequate continuity and recovery arrangements adversely affect service delivery in the event of an emergency situation</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td>√</td> <td>√</td> <td></td> </tr> </table>	1	2	3	4	5			√	√		Stephen Maddox	<p><b>High</b></p> <p>5x5 = 25</p>	<ul style="list-style-type: none"> <li>• Dedicated team provides support and guidance.</li> <li>• IT disaster recovery planning audit</li> <li>• Identified external suppliers and compiled position statement as to their arrangements</li> <li>• Awareness sessions delivered</li> </ul>	<p><b>Medium</b></p> <p>2x4 = 8</p>	<ul style="list-style-type: none"> <li>• Finalise the Wirral Business Continuity Plan</li> <li>• Meet with each Dept to finalise Business Continuity Plans</li> <li>• Ensure external agencies have cohesive continuity arrangements</li> <li>• Conduct exercise to test the efficiency of plans</li> <li>• Multi-Agency meetings on IT and anti-viral collection points</li> </ul>	<ul style="list-style-type: none"> <li>• Mark Camborne</li> <li>• Individual Chief Officers</li> <li>• Mark Camborne</li> <li>• Mark Camborne</li> <li>• Suzanne Williams</li> </ul>	<ul style="list-style-type: none"> <li>• Linked to swine flu review</li> <li>• Sept 2009 (revised)</li> <li>• Ongoing</li> <li>• See swine flu review</li> <li>• Ongoing</li> </ul>
1	2	3	4	5													
		√	√														

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
6 Changing need and demand for services is not managed effectively or co-ordinated at a corporate level  <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </table>	1	2	3	4	5	√	√	√	√	√	Jim Wilkie	<b>High</b>  <b>5x5 = 25</b>	<ul style="list-style-type: none"> <li>Needs analyses and evidence bases inc. policy / legislative changes used to inform corporate / business planning.</li> <li>Budget / priority setting process fully engages Elected Members with approval by full Council.</li> <li>Infrastructure for co-ordinating strategic service planning inc. CIG.</li> <li>Understanding needs through community engagement (e.g. Area Forums, Older and Young People's etc.).</li> <li>Equality considerations are accounted for through equality impact assessments.</li> <li>Single Equality Scheme sets out statutory requirements and duties relating to Wirral's diverse communities.</li> <li>Joint Strategic Needs Assessment (JSNA)</li> </ul>	<b>Medium</b>  <b>2x4 = 8</b>	<ul style="list-style-type: none"> <li>Continue to improve corporate service planning process.</li> <li>Implement the Community Engagement Strategy (finalise strategy document)</li> <li>Drive forward further improvement in understanding and responding to community needs</li> </ul>	<ul style="list-style-type: none"> <li>Jim Wilkie</li> <li>Jim Wilkie</li> <li>Jim Wilkie</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Sept 09 (Cabinet)</li> <li>Nov 09 (LSP Exec)</li> <li>Ongoing</li> </ul>
1	2	3	4	5													
√	√	√	√	√													

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
<p>7. A negative image of the authority impacts on the level of inward investment.</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </table>	1	2	3	4	5	√	√	√	√	√	Jim Wilkie	<p><b>High</b></p> <p>5x4 = 20</p>	<ul style="list-style-type: none"> <li>• Central media management team</li> <li>• Communications and Marketing Strategy.</li> <li>• Wirral Corporate Identity and guidance circulated.</li> <li>• Learning from external inspections improved</li> </ul>	<p><b>Medium</b></p> <p>2x4 = 8</p>	<ul style="list-style-type: none"> <li>• Increase community understanding of Council role and plans</li> <li>• Regularly review the appropriateness of public relations arrangements</li> <li>• Transparency in services</li> </ul>	<ul style="list-style-type: none"> <li>• Emma Degg</li> <li>• Emma Degg</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> </ul>
1	2	3	4	5													
√	√	√	√	√													
<p>8. The Council does not maintain arrangements for good corporate governance.</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>√</td> </tr> </table>	1	2	3	4	5					√	Stephen Maddox	<p><b>High</b></p> <p>5x5 = 25</p>	<ul style="list-style-type: none"> <li>• Constitution regularly reviewed, reported to Members and officers.</li> <li>• Risk-based internal audit programme.</li> <li>• Annual Governance Statement.</li> <li>• Corporate Governance Monitoring Group.</li> <li>• Code of Corporate Governance.</li> <li>• CIPFA/SOLACE 'Delivering Good Governance' Framework</li> <li>• Training Members</li> <li>• Standards and Audit &amp; Risk Management Committees</li> <li>• ICT Security policy and role of FoI officer</li> </ul>	<p><b>Medium</b></p> <p>2x5 = 10</p>	<ul style="list-style-type: none"> <li>• Strengthening annual governance process</li> <li>• Enhance governance for Change Programme</li> <li>• Undertake annual review of individual strategies</li> <li>• Further integration of key strategies and plans</li> <li>• Additional Member training</li> </ul>	<ul style="list-style-type: none"> <li>• Head of Legal Services</li> <li>• David Smith</li> <li>• Individual Chief Officers</li> <li>• CIG</li> <li>• ?</li> </ul>	<ul style="list-style-type: none"> <li>• July 2009</li> </ul>
1	2	3	4	5													
				√													

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
9. Partners do not work together effectively to optimise outcomes for local people. <table border="1" data-bbox="152 560 539 627"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> </tr> </table>	1	2	3	4	5	√	√	√	√		Jim Wilkie	<b>High</b> <b>5x5 = 25</b>	<ul style="list-style-type: none"> <li>Needs analyses and evidence bases inform the partnership's priority setting and key plans and strategies</li> <li>Action-led delivery plans for partnership priorities.</li> <li>Strong strategic leadership for the partnership (Executive Board)</li> <li>Council is the accountable body for Wirral's LSP. Supported by senior management inc. joint posts such as the Joint Director of Public Health.</li> <li>Partnership toolkit and register developed to support governance.</li> <li>Identified Council role and responsibilities for all major partnerships.</li> </ul>	<b>Medium</b> <b>2x5 = 10</b>	<ul style="list-style-type: none"> <li>Periodic checks to ensure partnerships comply with Wirral's governance arrangements;</li> <li>Annual review of key partnership register</li> <li>Drive forward further improvement in understanding and responding to community needs</li> <li>Enhanced guidance and training regarding grants</li> <li>Develop a performance management framework for the Sustainable Community Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Head of Legal Services</li> <li>Head of Legal Services</li> <li>Jim Wilkie</li> <li>Pete Molyneux</li> <li>Jim Wilkie</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>t.b.c.</li> <li>Ongoing</li> <li>Ongoing</li> <li>t.b.c.</li> </ul>
1	2	3	4	5													
√	√	√	√														

Description	Lead Officer	Inherent Risk Score	Existing Key Controls	Residual Risk Score	Further Control Actions Required	Officer Responsible	Target Date										
10. The Change Programme is not delivered  <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </table>	1	2	3	4	5	√	√	√	√	√	Ian Coleman	High 4x5 = 20	<ul style="list-style-type: none"> <li>• Reports to Corporate Improvement Group and Members</li> <li>• Change Programme Board</li> <li>• Clear focus on 6 themes</li> </ul>	High 4x4 = 16	<ul style="list-style-type: none"> <li>• Strengthen assurance role</li> <li>• Enhance Board role</li> </ul>	<ul style="list-style-type: none"> <li>• David Smith</li> <li>• Jim Wilkie</li> </ul>	<ul style="list-style-type: none"> <li>• t.b.c.</li> <li>• Ongoing</li> </ul>
1	2	3	4	5													
√	√	√	√	√													
11. Available resources are not allocated to meet service demands in line with corporate priorities  <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </table>	1	2	3	4	5	√	√	√	√	√	Stephen Maddox	High 5x5 = 25	<ul style="list-style-type: none"> <li>• Medium Term Financial Capital HR and IT strategies linked and reflect priorities in Corporate Plan.</li> <li>• Strong links between service &amp; financial plans.</li> <li>• Investment based on business cases for projects.</li> <li>• Effective financial management by planning monitoring and reporting</li> <li>• Programme of financial management training.</li> <li>• Impacts of the economic downturn identified and appropriate responses developed</li> </ul>	Medium 2x5 = 10	<ul style="list-style-type: none"> <li>• Review Medium Term Financial Plan</li> <li>• Review Capital Strategy</li> <li>• Review IT Strategy</li> <li>• Review HR Strategy</li> <li>• Implement Use of Resources action plan</li> </ul>	<ul style="list-style-type: none"> <li>• Tom Sault</li> <li>• Tom Sault</li> <li>• John Carruthers</li> <li>• Head of HR</li> <li>• Tom Sault</li> </ul>	<ul style="list-style-type: none"> <li>• July 2009</li> <li>• July 09</li> <li>• July 2009</li> <li>• July 2009</li> <li>• Ongoing</li> </ul>
1	2	3	4	5													
√	√	√	√	√													
12. The reduction in available financial resources available from 2011/12 restricts our ability to deliver the Corporate Objectives  <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </table>	1	2	3	4	5	√	√	√	√	√	Ian Coleman	High 5x5 = 25	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy linked to Corporate Plan</li> <li>• Strong links between service &amp; financial plans.</li> <li>• Investment based on business cases for projects</li> <li>• Use of LGA / SIGOMA to lobby central government</li> </ul>	High 3x4 = 12	<ul style="list-style-type: none"> <li>• Regular review of financial projections</li> <li>• Consolidation of efficiencies (e.g. Strategic Change Programme)</li> </ul>	<ul style="list-style-type: none"> <li>• Ian Coleman</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
1	2	3	4	5													
√	√	√	√	√													



This page is intentionally left blank

## **WIRRAL COUNCIL**

### **CABINET**

**3 SEPTEMBER 2009**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **DEFERRAL SCHEME FOR BUSINESS RATEPAYERS**

##### **1. EXECUTIVE SUMMARY**

- 1.1. This report details the Government scheme that has recently been introduced to defer the increase in ratepayers' bills for the 2009-10 year. This report advises Members of the process and its likely effects.

##### **2. BACKGROUND**

- 2.1. Wirral has 7,900 non domestic properties and in mid March 2009 the main billing exercise was carried out to issue the 2009-10 rates bills.
- 2.2. The total amount billed amounted to approximately £67m which incorporated an increase, due to inflation, of 5%, compared to that billed in respect of the 2008-09 financial year. The 5% increase was calculated under the standard procedure for calculation of annual increases, which has been in place since the introduction of Business Rates in 1990. The calculation is based on inflation in the November before the start of the financial year.
- 2.3. A small number of businesses received larger increases as a result of the cessation of the transitional scheme.
- 2.4. The 5% increase was announced in November 2008. However by March 2009 the inflation rate had reduced effectively to 0% and the Government came under increasing pressure to assist businesses.

##### **3. BUSINESS RATES DEFERRAL SCHEME**

- 3.1. The Government announced a business rates deferral scheme on 31 March 2009, which would allow businesses to defer part of the increase in their 2009-10 bills to years 2010-11 and 2011-12. Notification giving brief details of the scheme was required to be sent to all ratepayers which in Wirral was distributed in the week commencing 20 April 2009.
- 3.2. Since April, the Government has been working on the details of the scheme and as a result the Non Domestic Rating (Deferred Payments) (England) Regulations 2009 were laid before Parliament on 6 July 2009 and came into force on 31 July 2009.

- 3.3. The scheme allows businesses to defer 3% of their 2009-10 bills and, if appropriate, 60% of the amount of transitional relief the property received as of 31 March 2009. Fifty per cent of the deferred amounts are then to be added to businesses' rate bills for each of the following two years i.e. 2010-11 and 2011-12
- 3.4. Local authorities are required to canvas all eligible businesses to determine if they want to participate in the scheme and 5,200 application forms were despatched to Wirral business ratepayers during the week commencing 10 August 2009.
- 3.5. In order to participate businesses are required to complete and return the application to the Local Authority.
- 3.6. Academy, the business rates software supplier should provide a new release of software during the week beginning 24 August 2009 and it is envisaged that those businesses, which have requested a payment deferral, will be issued with a new bill with revised reduced instalments during the week commencing 7 September 2009

#### **4. FINANCIAL IMPLICATIONS**

- 4.1. The Government has committed to bearing both the cost of the implementation and administration of the scheme. The total national cost of the exercise is estimated at £5.8m which covers printing and posting costs, rebilling ratepayers and software costs. These sums are expected to be distributed by specific grant during this financial year. The grant due to Wirral should be about £40,000.
- 4.2. The reduction in rate income should be made good by the Government so that the distribution from the national pool should not be affected.

#### **5. STAFFING IMPLICATIONS**

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

#### **6. EQUAL OPPORTUNITY IMPLICATIONS**

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

#### **7. COMMUNITY SAFETY IMPLICATIONS**

- 7.1. There are none arising directly from this report.

#### **8. HUMAN RIGHTS IMPLICATIONS**

- 8.1. There are none arising directly from this report.

9. **LOCAL AGENDA 21 IMPLICATIONS**

9.1. There are none arising directly from this report.

10. **PLANNING IMPLICATIONS**

10.1. There are none arising directly from this report.

11. **MEMBER SUPPORT IMPLICATIONS**

11.1. There are none arising directly from this report.

12. **BACKGROUND PAPERS**

12.1 Department for Communities & Local Government Business Rates Information Letters 07/2009 (31 March 2009) and 11/2009 (24 July 2009)

12.2 Non Domestic Rating (Deferred Payments) (England) Regulations 2009

13. **RECOMMENDATION**

13.1. That Members agree the implementation of the deferral scheme.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/210/09

This page is intentionally left blank

## **WIRRAL COUNCIL**

### **CABINET**

**3 SEPTEMBER 2009**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **CORPORATE RETENTION AND DESTRUCTION POLICY AND CORPORATE RECORDS MANAGEMENT POLICY**

##### **1. EXECUTIVE SUMMARY**

1.1. On 26 July 2007, Cabinet agreed two policies governing the records management procedures of the Council. In keeping with good practice, these policies have been reviewed and are presented for approval.

1.2 The policies are:

- (i) the Corporate Retention and Destruction Policy which replaces the Corporate Retention Policy, published in July 2007;
- (ii) the Corporate Records Management Policy, last published in July 2007.

##### **2. BACKGROUND**

2.1. Council records are a vital information asset and a valuable resource to both staff and the public. By revising and implementing these two policies, the Council demonstrates commitment to best practice and compliance in information governance.

2.2 The implementation of these two policies is a necessary prerequisite to ensuring that Council information can be accessed easily and efficiently, can be destroyed in a timely manner, and meets all legislative, financial and regulatory obligations. Their adoption ensures that Wirral Council remains at the forefront of innovation and best practice in this area.

2.3. The policies will be reviewed at least every two years in order to take account of any amendments in legislation and best practice.

### **3. CORPORATE RETENTION AND DESTRUCTION POLICY**

- 3.1 The policy is attached at Appendix 1. The detailed retention schedules will be circulated to managers when the overall policy has been agreed. It acts as an operational guidance tool for the management and retention of all records produced and held by the Council. It is based on current legal, financial and regulatory requirements as well as professional best practice.
- 3.2 This policy aims to give staff who work with information the confidence to dispose of it in a timely manner, avoiding unnecessary build-up of redundant information, confusion within back-office systems, and the operational inefficiencies which result from these. Ensuring that records are managed effectively, will lead to substantial savings in both time and money.

### **4. CORPORATE RECORDS MANAGEMENT POLICY**

- 4.1. The creation of a Records Management Policy is a legal requirement, as set out in the Lord Chancellor's Code of Practice, issued under Section 46 of the Freedom of Information Act 2000. This policy, at Appendix 2, states the Council commitment to the introduction of efficient records management practices and procedures, including the creation, use and disposal of all records. It defines specific roles and responsibilities for recordkeeping and provides a best practice framework for the management of all Council records, regardless of their format.

### **5. FINANCIAL AND STAFFING IMPLICATIONS**

- 5.1. There are no direct financial or staffing implications that arise as a result of these two policies. It should be noted, however, that adherence to these policies will ensure efficient working practices are maintained; making best use of staffing, property and financial resources.

### **6. EQUAL OPPORTUNITIES IMPLICATIONS**

- 6.1. There are none arising from this report.

### **7. HUMAN RIGHTS IMPLICATIONS**

- 7.1. There are none arising from this report.

**8. LOCAL AGENDA 21 IMPLICATIONS**

8.1. There are none arising from this report.

**9. COMMUNITY SAFETY IMPLICATIONS**

9.1. There are none arising from this report.

**10. PLANNING IMPLICATIONS**

10.1. There are none arising from this report.

**11. LOCAL MEMBER SUPPORT IMPLICATIONS**

11.1. There are none arising from this report.

**12. BACKGROUND PAPERS**

12.1. Corporate Retention Policy - July 2007.

12.2. Corporate Records Management Policy - July 2007.

12.3. Records Management Code of Practice – Department for Constitutional Affairs.

**13. RECOMMENDATION**

13.1. That the Corporate Records Management Policy and Corporate Retention and Destruction Policy be agreed.

IAN COLEMAN  
DIRECTOR OF FINANCE

## CORPORATE RETENTION AND DESTRUCTION POLICY

## Metadata

<b>Title</b>	<b>Corporate Retention and Destruction Policy</b>
<b>Owner</b>	<b>Records Manager</b>
<b>Approved by</b>	<b>Cabinet</b>
<b>Date of Approval</b>	<b>3 September 2009</b>
<b>Version Number</b>	<b>3</b>
<b>Review Frequency</b>	<b>At least every two years</b>
<b>Next Review Date</b>	<b>September 2011</b>

## Scope

The Corporate Retention and Destruction Policy details recommended retention periods for records created and maintained by Wirral Council. It lists the types of records created or received by Wirral Council, and the length of time they should be retained, in line with business need, legislative, statutory and regulatory requirements. The Policy refers to all records, regardless of their format. It includes both paper and electronic records.

The Policy is based on the Local Government Classification Scheme and the Retention Guidelines for Local Authorities, both produced by the Records Management Society of Great Britain.

Many of the retention periods are laid down by statute, whilst others are guidelines following best practice. Every effort has been made to ensure that these retention periods are compliant with the requirements of the Data Protection Act 1998, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Furthermore, the retention periods have been agreed by a period of consultation with representatives from all departments.

The Corporate Retention and Destruction Policy should be used as a point of reference by all staff with regards to the day-to-day management of their records.

## How to Use the Policy

Although the Policy is designed functionally, it should be clear for many departments, which section they need to refer to for their records. If it is unclear, a free text search can be performed in order to locate the relevant documents.

There are generally three procedures to follow with regards to the management of your records once their administrative use has been concluded, i.e. they are no longer referred to on a regular basis by staff but need to be retained in line with their agreed retention period.

1. 'Transfer to Records Management' – you should transfer all records that need to be retained for longer than their administrative use, to the Corporate Records Management Facility, for secure storage. Once the records have reached the end of their retention period within the Facility, a review of the records will take place which will either lead to confidential destruction, extension of the review period or transfer to the Archives for permanent preservation. For information about the Records Management Facility and Service available, please contact the Records Manager.
2. 'Offer to Archivist' – all records that are of potential historical value to the Council should be offered to the Archivist once their administrative use is concluded. These records will then be appraised and possibly selected for permanent preservation within Wirral Archives Service. Please contact the Archivist for further information.
3. 'Retain in Office then arrange for recycling/confidential disposal' – if records have a short retention period applied to them or need to be retained close to hand for regular referral, there is no need to send them to the Records Management Facility for storage. Instead these records should be retained in their creating department until the end of their retention period, then recycled or confidentially disposed of, depending on their content, once they have reached the end of their retention period. If the records are held in electronic format, staff should ensure that they are deleted entirely from their systems. For further information about the Council's confidential waste procedures, please contact the Records Manager.

### **Important Notes for Consideration**

If you only have a convenience copy of a document, and did not create or have responsibility for it, then you may destroy it as soon as you stop referring to it. You should not keep any copies longer than the full retention period stated.

If a department and/or section do not require the use of the Records Management Facility for the storage of their records, it should be noted that any destruction of records should be fully and accurately documented. The Council must comply with the obligations set out with the Data Protection Act and Freedom of Information Act and provide information regarding destruction if records are requested for access but no longer held. Contact the Records Manager for further information and guidance on documentation requirements.

If litigation is ongoing, some records may need to be retained for longer than is specified within the Policy in order to support any litigation process. For further advice, please contact the Records Manager.

### **Responsibilities**

It is the responsibility of all Wirral Council staff to adhere to this Corporate Retention and Destruction Policy.

### **Review**

This Policy will be reviewed regularly, at least every two years, in line with any changes in legislation and business practices.

## RECORDS MANAGEMENT POLICY

<b>Title</b>	<b>Records Management Policy</b>
<b>Owner</b>	<b>Records Manager (0151 606 2592)</b>
<b>Approved By</b>	<b>Cabinet</b>
<b>Date of Approval</b>	<b>3 September 2009</b>
<b>Version Number</b>	<b>2.0</b>
<b>Review Frequency</b>	<b>Every two years</b>
<b>Next Review Date</b>	<b>September 2011</b>

### Introduction

Wirral Council recognises that the effective management of its records, regardless of format, is essential in order to support its core functions, to comply with its legal and regulatory obligations and to demonstrate transparency and accountability to all its stakeholders. Records are a vital information asset and a valuable resource for the Council's decision making processes, policy creation and operations, and must be managed effectively from the point of their creation until their ultimate disposal.

### What is Records Management?

Records Management can be defined as the process whereby an organisation manages its records, whether created internally or externally and in any format or media type, from their creation or receipt, through to their disposal or permanent preservation within Wirral Archives Service.

### Purpose

The purpose of this Policy is to ensure that all records are created and maintained in such a way that they can be classed as authentic and reliable, in order to demonstrate evidence and accountability for all actions carried out in the course of business.

Wirral Council is committed to securely maintaining and providing access to all records that are required for continuing business purposes; identifying and protecting the Council's vital records; permanently preserving those records that are deemed of historical value to the Council and community; destroying all records in an appropriate and timely manner in line with the Corporate Retention and Destruction Policy; and meeting all legal and regulatory requirements.

### Benefits

The benefits of implementing records management systems and processes include:

1. A reduction in duplication throughout the Council.
2. A simplification of procedures and processes.
3. Increased information sharing and the provision of quick and easy access to the right information at the right time.

4. Improved business efficiency and service level improvements through reduced time spent searching for information.
5. Meeting community expectations through the provision of good quality services.
6. A demonstration of transparency and accountability for all actions.
7. Risk management in terms of meeting all legislative and regulatory requirements through evidence of compliance.
8. Support for decision-making through maintenance of the corporate memory and provision of access to decisions that were made previously.
9. Creation of better working environments.
10. Cost savings on current and future records management resources and storage.

### **Scope**

This corporate policy relates to all departments, divisions, sections and services of Wirral Council and all records created and received by its employees. It similarly relates to all staff who are mobile working, working off site and working within joint partnerships. It applies to all records regardless of format or medium, including paper, electronic, audio, visual and photographic.

### **Statement**

It is the policy of the Council to maintain authentic, reliable and useable records, which are capable of supporting business functions and activities for as long as they are required. This will be achieved through the establishment of effective records management policies and procedures, including:

- The running of a central Records Management Facility for the management of all semi-current paper records, including retrieval, review and disposal.
- The review and redistribution of the Corporate Retention and Destruction Policy to reflect the needs of the Council.
- The development of a business classification scheme within the corporate document management system.
- The implementation of training and awareness sessions to highlight the importance of record keeping within the Council.
- The provision of access to semi-current and historical records in order to encourage well informed decision making processes.
- The protection of vital records against accidental loss or destruction.
- The timely and appropriate destruction of records in line with the Corporate Retention and Destruction Policy.

The policy has been developed in accordance with BS ISO 15489 and the Lord Chancellor's Code of Practice on the Management of Records, issued under Section 46 of the Freedom of Information Act 2000.

## **Objectives**

The primary objectives of this Policy are:

1. To comply with all legislative requirements for records management.
2. To protect the Council and its employees from litigation.
3. To establish a culture whereby the importance and value of effective and efficient record keeping is supported and adopted.
4. To support the long term preservation of the Council's archival records.
5. To promote efficient record keeping practices and overall business efficiency throughout the Council.
6. To maintain all records in a safe and secure environment.
7. To develop consistent naming conventions and classification schemes for the efficient retrieval of records.
8. To facilitate joined up working and a reduction in duplication through the amalgamation of records throughout the Council.
9. To encourage information sharing throughout the Council and ensure the right information is available to the right people at the right time.
10. To track the use of records throughout their retention and ensure timely and appropriate disposal of records, in line with the Corporate Retention and Destruction Policy.

## **Roles and Responsibilities**

All staff creating, receiving and using records have specific records management responsibilities:

All Senior Management Teams are responsible for:

- Approving a corporate approach to the management of records as defined within this Policy.
- Promoting a culture of excellent recordkeeping principles and practices in order to improve business efficiency.
- Supporting records management through commitment and the provision of resources.
- Recognising the importance of preserving the corporate memory.

Departmental Contacts:

- Offering advice and guidance regarding records management to all staff within their department.
- Ensuring that all records management practices and procedures are being adhered to within the department.
- Liaising with the Records Manager regarding the storage, retrieval, review and disposal of all records relating to their department, held within the Records Management Facility.
- Highlighting any records management issues or concerns within the department, with the Records Manager.
- Transferring all records of historical value to the Wirral Archives Service for permanent preservation.

- Ensuring the regular transfer of semi-current records to the Records Management Facility.

Individual Wirral Council Employees are responsible for:

- Suitably managing paper records so that they can be easily retrieved.
- Retaining all records in line with the Corporate Retention and Destruction Policy.
- Regularly transferring their semi-current records to the Records Management Facility for storage.
- Ensuring that all actions and decisions are properly recorded.
- Information stored on various media is transferred to Documentum to ensure long term access and retrieval.
- Ensuring that this Policy is adhered to.

The Records Manager is responsible for:

- Ensuring that records management practices and procedures are established in line with all legal obligations and professional standards.
- Managing all records, regardless of their format.
- Issuing advice and guidance to all staff throughout the Council.
- Running the Records Management and Archives Facility and ensuring it meets the needs of all users.
- Creating and reviewing the Corporate Records Management Policy.
- Creating and reviewing the Corporate Retention and Destruction Policy.
- Establishing and liaising with departmental contacts in each department and section throughout the Council.

## **Legislative Framework**

Compliance with this policy will facilitate compliance with following legislation and standards:

- Public Records Acts (1958 and 1967)
- Local Government Act (1972)
- Environmental Information Regulations (1992)
- Data Protection Act (1998)
- Freedom of Information Act (2000)
- Regulation of Investigatory Powers Act (2000)
- Environmental Information Regulations (2004)
- The Children Act (2004)
- Civil Contingencies Act (2004)
- Re-use of Public Sector Information Regulations (2005)
- BS ISO 15489 Standard for Records Management
- BS ISO 27001 Information Security Management - Specification With Guidance for Use
- BIP 0008 Code of Practice for Legal Admissibility and Evidential Weight of Information Stored Electronically

In addition, compliance with the policy will also facilitate compliance with other statutory and regulatory recordkeeping obligations that are specific to certain Council functions or departments.

### **Relationship to Existing Policies**

This policy forms part of Wirral Council's overall policy framework but specifically relates to the following existing policies:

- Data Protection Policy
- ICT Security Policy

### **Training**

A training programme will be established to ensure that all staff are aware of their obligations relating to Data Protection, Freedom of Information and Records Management. This will include an introduction to best practice in recordkeeping at all Corporate Inductions. All staff must feel confident in the level of training they have received with regards to records management, and should contact the Records Manager if they have any concerns in this regard.

This page is intentionally left blank

## WIRRAL COUNCIL

### CABINET

3 SEPTEMBER 2009

## REPORT OF THE DIRECTOR OF FINANCE

### VALUE FOR MONEY PROFILES 2008/09

#### 1. EXECUTIVE SUMMARY

- 1.1 This report provides details of the 2008/09 Audit Commission Value for Money profile of Wirral compared with its nearest neighbours. The nearest similar neighbour methodology makes it possible to identify councils with similar demographic features.

#### 2. BACKGROUND

- 2.1 The Council is required to demonstrate that it provides good value for money and takes steps to manage and improve value for money. The Audit Commission assessed this as part of the Comprehensive Performance Assessment (CPA) process with Wirral rated as 2 (adequate performance). The 2009 assessment under the Comprehensive Area Assessment (CAA) is presently being undertaken.
- 2.2 The Audit Commission provides value for money profiles that attempt to show how the costs of services compare to other local authorities that share a similar make up and demography. This offers an indication to the Council of areas for further investigation when considering value for money. The profiles however are not a definitive judgement of value for money.
- 2.3 The value for money profile tool 2009 includes planned spending data for 2008/09 and performance data for 2007/08 wherever possible. Changes include the revised population estimates for 2007 produced by the Office of National Statistics. The comparison group of nearest neighbours remains unchanged from the 2007 grouping with Wirral being one of sixteen local authorities in its neighbour grouping.

#### 3. AUDIT COMMISSION PROFILES

- 3.1 The profiles are only a tool for indicating possible areas for investigation and seeking explanations of cost differentials which may be as a result of alternative cost allocation processes by authorities. They are therefore not a definitive judgement of value for money as they use:-
- Budgeted expenditure rather than actual costs incurred
  - Performance data that does not relate to the same year as expenditure in many of the profiles

- Population size rather than units of activity. High performance or outputs may therefore explain some of the reasons for perceived high cost.

3.2 Cabinet has previously received reports of the results of the 2006/07 and 2007/08 Audit Commission profiles. These reports have shown a number of consistent areas where using the Audit Commission criteria the Authority appears to have high costs compared with its neighbouring group. From this a series of internal challenge sessions were undertaken to investigate the variances. Following the 2007/08 report a detailed report with supporting proformas was submitted to Cabinet on 25 September 2008 explaining reasons for the variations.

3.3 Cabinet on 25 September 2008 received details from Chief Officers on the following areas for investigation highlighted by the 2007/08 Audit Commission profiles:-

<b>Lead Department</b>	<b>Profile Title</b>
Finance	Council Tax collection and administration Administration of Housing and Council Tax Benefit Discretionary rate relief
Children & Young People	Special educational needs Children's social care Looked after children Strategic management/Pension costs
Adult Social Services	Older people's services Adults with learning disabilities Adults with mental health needs Adults with physical and sensory disability Service strategy
Technical Services	Waste collection Home Office services – Emergency planning
Corporate Services/ Regeneration	Economic and community development
Regeneration	Sport and Recreation

3.4 Cabinet was reminded that the Audit Commission tool is one of the ways of helping to address value for money which seeks to measure that:-

- Costs compare well with others as measured through Audit Commission profiles, CIPFA statistics and other benchmarking assessments
- Costs are commensurate with service delivery, performance and outcomes achieved in that the money allocated is producing the best results in terms of service delivery
- Costs reflect policy decisions in that high costs may be recognised as being the result of a Council decision
- The Council monitors and reviews value for money on a regular basis and this is embedded within the culture of the organization.

- The Council has improved value for money and achieved efficiency gains which exceed the Annual Efficiency Statement target. From 2008 the VFM gains are subject to National Performance Indicator NI 179 and are currently ahead of schedule
- Procurement and other spending decisions take account of full long-term costs
- The Council continually learns from best practice

3.5 A value for money pro-forma was produced to assist in providing a coordinated consistent approach to the issues raised by the profiles and to provide an audit trail and evidence for value for money. In terms of individual indicator results a number of reasons were provided to explain the perceived high costs. These included:

- Indicators chosen are simplistic and are not the best for reflecting the service (e.g. Council Tax collection and administration, the administration of Housing and Council Tax Benefit, waste collection)
- Costs reflect agreed Authority policy decisions (e.g. discretionary rate relief, special education needs, older people services, adults with learning disabilities, adults with physical and sensory disabilities)
- Partner organisations spending less than comparators elsewhere (e.g. adults with mental health problems)
- Accounting treatment/grouping of costs result in variances (e.g. Adult Social Services service strategy, waste collection, emergency planning, sport and recreation)
- Expenditure funded from external income grossing up costs but not impacting on Council Tax payer. (e.g. economic and community development)
- Level of performance outweighs additional cost (e.g. waste collection)

3.6 The report to Cabinet on 25 September 2008 also highlighted a series of planned actions which were likely to improve the value for money position and/or result in improvements to the profiles.

3.6.1 Areas identified as high cost, although reducing, and where additional work and initiatives are being undertaken to improve costs are primarily within Adult Social Services and Children & Young People in respect of care services. Work being undertaken to address these areas which involves the Council working with other agencies including the Wirral Primary Care Trust and external providers includes:-

#### Adult Social Services

- Reform of out-of-home services
- Review of home care provision
- Renegotiation of residential and nursing home contracts
- Reduction in management and support costs
- Development of locality based integrated services
- Development of individual budgets

#### Children & Young People

- Continuing reduction in out of borough child placements
- Continuing work on preventative approach for looked after children
- On going budget reviews and programme of cost reduction
- Extension of the child concern model

- 3.6.2 New IT developments, extension of direct debit take up and continuing anti-fraud measures would assist in reducing Council and Housing Benefit administrative costs.
- 3.6.3 Where possible treatment of costs on returns used to underpin profiles would be reviewed. Although not itself reducing overall costs the allocation of some costs to more appropriate areas of activity may result in better comparative information.
- 3.7 The analysis of the previous VFM profiles did highlight a number of areas where Wirral is always likely to show as being high cost. The profiles are largely based upon a crude measure of cost divided by population and are designed to be a tool for highlighting areas for possible investigation rather than as a judgement of value for money in their own right. Population does not best reflect the circumstances in Housing Benefit administration when deprivation measures and the factoring in of complexity of caseloads would be a better measure. Wirral will consistently appear as 'high cost' in many areas if cost divided by population is used as the measure of cost.
- 3.8 With profiles based solely on cost per population the factoring in of the level of actual performance may help prove value for money. For example, waste collection costs per head are high compared to the comparator group but the volume of waste collected is higher as is the recycling rate which reflects the new waste collection arrangements. In the case of Council Tax the collection rate is high which needs to be taken into account when considering the perceived high cost of collection.

#### **4. AUDIT COMMISSION 2008/09 VALUE FOR MONEY PROFILES**

- 4.1 The full Audit Commission 2008/09 Value for Money profile report for Wirral comprises 87 pages and contains a wide range of indicators. These indicators both bench mark performance externally with other similar councils but also internally with profiles based over time periods.
- 4.2 An analysis was undertaken of the profiles to identify variances. This year the variance analysis has been extended to also identify areas where the Authority is showing as low cost compared to similar authorities. Examining areas of low cost may provide a rounder view of the Authority. It is possible for example, that different accounting treatment between local authorities may result in linked indicators showing high and low costs for the Authority but when put together result in only an average cost. An emphasis only on high cost areas may miss this.

- 4.3 Although there are some improvements in particular indicators, the analysis continues to highlight a number of familiar high cost areas. The reasons for these costs have been investigated and reported to Members in previous reports. The profiles should only be viewed as a tool for meriting further investigation and not as a final arbiter of the achievement of value for money. It may therefore be the case that for the reasons outlined above some of these areas will continue to be high cost in the future and that no further work will alter this fact
- 4.4 The high cost areas identified within the 2008/09 profiles are detailed below. A commentary has been provided comparing the 2008/09 results against previous profiles. Appendix A contains further detail and explanation regarding these profiles and actions being undertaken.

<b>Lead Department</b>	<b>Profile Title</b>	<b>Commentary</b>
Finance	Council Tax collection and administration	as per 07/08
	Administration of Housing and Council Tax Benefit	as per 07/08
Children & YP	Discretionary rate relief	as per 07/08
	Special educational needs	as per 07/08
	Looked after children	as per 07/08
Adult Social Services	Strategic management/ pension costs	SM improved on 07/08 Pensions as per 07/08
	Adults with mental health needs	as per 07/08
Technical Services	Adults with physical and sensory disability	high as in 07/08
	Waste collection	as per 07/08
Corporate Services/ Regeneration Regeneration	Home Office services – Emergency planning	as per 07/08
	Economic and community development	now low quartile high quartile 07/08
	Sport and recreation	as per 07/08
	Supporting people	per 07/08 grant driven

- 4.5 Profiles which appear to indicate low spend compared to similar authorities were identified as follows:

<b>Lead Department</b>	<b>Profile Title</b>	<b>Commentary</b>
Finance	Council Tax Benefit Administration	lowest quartile (but high overall benefit admin)
Children & YP	Behaviour support services	lowest in group
Adult Social Services	Adults with learning disabilities	5 <sup>th</sup> lowest

Technical Services	Transport Waste disposal	lowest in group low on tonnage basis high on £ per pop.
	Planning	lowest in group reflects grant receipt

4.6 As the lowest quartile indicators are being reported for the first time some further analysis is merited to investigate the reasons for this performance. This could identify certain costs not being included within profiles or alternative accounting treatments explaining the variances. It is possible these could mitigate some of the high cost profiles.

4.7 Several profiles previously categorised as high cost are no longer classed as high cost in the 2008/09 profiles. These are as follows:

<b>Lead Department</b>	<b>Profile Title</b>	<b>Commentary</b>
Children & YP	Children's social care	At mid-point per 07/08
Adult Social Services	Older people's services Adults with learning disabilities Service strategy	Improved to mid point  Improved now low Improved to mid point

4.8 The improvement in these profiles reflects the work undertaken by departments to review service provision and costs. Work continues to identify efficiencies and to implement the strategic change programme which may lead to further improvements. The Baby 'P' case will lead to pressure upon Children's Social Care costs, although this is an issue affecting all Local Authorities.

## **5. ON GOING ACTIONS AND FUTURE DEVELOPMENTS**

5.1 The report to Cabinet on 25 September 2008 outlined a series of explanations for high cost variances and also detailed actions being undertaken to ensure value for money was being enhanced. These actions continue and in addition the Authority continues to identify further efficiencies wherever possible.

5.2 The strategic change programme is continuing with a number of separate work streams contained within it. These are intended to provide further efficiencies which will have a positive impact upon later profile results.

5.3 The Authority has joined a recently created benchmarking club for single tier local authorities which is administered by PricewaterhouseCoopers. The club will provide deeper vfm analysis to enable better improvement targeting, access to on-line tools and the opportunity to share best practice.

5.4 It should again be emphasised that the Audit Commission profiles are only a tool for highlighting areas for possible further investigation. They do not determine whether areas are poor value for money and therefore some high cost areas will remain in future profile reports without being a cause for concern.

## **6. FINANCIAL AND STAFFING IMPLICATIONS**

6.1 There are no direct financial or staffing implications arising out of this report.

## **7. EQUAL OPPORTUNITIES IMPLICATIONS**

7.1 There are none arising directly from this report.

## **8. HUMAN RIGHTS IMPLICATIONS**

8.1 There are none arising directly from this report.

## **9. LOCAL AGENDA 21 IMPLICATIONS**

9.1 There are none arising directly from this report.

## **10. COMMUNITY SAFETY IMPLICATIONS**

10.1 There are none arising directly from this report.

## **11. PLANNING IMPLICATIONS**

11.1 There are none arising directly from this report.

## **12. LOCAL MEMBER SUPPORT IMPLICATIONS**

12.1 There are no particular implications for any Members or wards arising out of this report.

## **13. BACKGROUND PAPERS**

13.1. Value for Money Profiles - Audit Commission - April 2009.

## **14. RECOMMENDATION**

14.1 That Cabinet considers the findings outlined within the report.

14.2 That further investigation be undertaken on the reasons for the low cost profiles.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/217/09

## VALUE FOR MONEY

## SUMMARY OF FINDINGS FROM INVESTIGATION INTO AUDIT COMMISSION PROFILES

Profile Area	Comment	Actions
Council Tax collection and administration	Per dwelling a better measure and collection rates are high. Reflects Council policies on Fair Debt and Pensioner Discount scheme extended in 2009/10.	Note cost performance. Review policies at the appropriate time. Policy to fund extended discounts
Administration of Housing and Council Tax Benefit	Caseload a better measure as DWP uses complexity for allocating grant. Level of deprivation impacts upon claimant numbers. Unit costs per claimant are low.	Note performance by caseload.
Discretionary rate relief	Generous policy in support of local groups and organisations that is subject to regular review.	Note position in profiles. Review policy annually.
Special educational needs	Costs are reducing but scope for substantial reductions is dependent upon revising SEN policy.	Note position in profiles. Review policy at appropriate time.
Children's social care	2008/09 profile shows improvement to mid-point position. Progress made to reduce the numbers and costs with plans for further reductions.	Continued regular updates via Performance Report.
Looked after children	Progress in containing numbers and costs with Council now in median range. But baby 'P' likely to impact on all authorities	Regular reporting and monitoring .
Older people's services	2008/09 profile shows improvement to mid point. Costs are high but plans to reform out-of-home services and renegotiate contracts. Eligibility criteria agreed at substantial and critical.	Continued regular updates via Performance Report. Retain current eligibility criteria.

Adults with learning disabilities	2008/09 profile shows significant improvement to lowest quartile. Costs high and reviewing the supported living contracts with providers. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.
Adults with mental health problems	Council costs high whilst Wirral PCT spending less than their comparators. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.
Adults with physical and sensory disability	Costs high and reviewing contracts. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.
Adult Social Services Service strategy	2008/09 profile shows improvement to mid point. Costs reflect allocation of management costs which has been revised for 2008/09.	Note actions taken.
Children Strategic management / pension costs	Other measures show costs are slightly above average. Pension costs reflect outcomes of Primary Schools review.	Note actions taken.
Waste collection	Performance improved in waste collection and recycling. Costs reflect policies around free bulky waste and garden waste collections. Contract under review for further improvements	Note performance. Confirm policies for bulky waste and garden waste.
Emergency planning	Costs reflect the wider service provided by Wirral which if excluded makes costs compare favourably.	Note.
Economic and community development	Identified costs include additional areas which if excluded the costs are comparable.	Note.
Sport and Recreation	The latest profiles include non-appropriate costs which when removed reduce from high cost area.	Note.
Supporting People	Expenditure is driven by grant funding. Therefore limited impact on bottom line. Efficiencies being generated in line with supporting people framework requirements	Note

**AUDIT COMMISSION**

**VALUE FOR MONEY PROFILE REPORT 2008/09**

**WIRRAL METROPOLITAN BOROUGH COUNCIL**

Authorities used for the Comparison group Nearest Neighbours

Blackpool  
Bury  
Darlington  
Derby C ity  
Doncaster  
Dudley  
Medway  
North East Lincolnshire  
North Tyneside  
Plymouth City  
Redcar and Cleveland  
Sefton  
Southend on Sea  
St Helens  
Stockton-on-Tees

WIRRAL COUNCIL

CABINET – 3 SEPTEMBER 2009

REPORT OF THE DIRECTOR OF REGENERATION

## **PARKS AND COUNTRYSIDE SERVICE PROCUREMENT EXERCISE (PACSPE)**

---

### **1.0 EXECUTIVE SUMMARY**

1.1 This report informs members of the results of the Gateway O Review of the Parks and Countryside Service Procurement Exercise (PACSPE) undertaken by the 4ps Organisation and the Interim Business Case findings by Capita Symonds. The report requests approval for funding for the next stage of the procurement exercise from the Efficiency Investment Budget.

### **2.0 BACKGROUND**

2.1 At its meeting of 5<sup>th</sup> February 2009 members agreed to an allocation of £85,000 from the Efficiency Investment Budget for the engagement of consultants to support the Gateway review process and to produce a Business Case and service delivery options.

2.2 The PACSPE review includes all of the Parks and Countryside service and the existing Streetscene grounds maintenance contracts, a total contract value of £7.9m per annum. A PACSPE Members Group has been established to project manage the exercise, the aims of which are to deliver a service which meets the present and further needs of the Council and the wider community including;

- better maintenance standards
- a closer working relationship with park users, friends and community groups
- improved facilities
- better marketing of facilities
- improved security in parks
- value for money

### **3.0 PACSPE GATEWAY O REVIEW AND ACTION PLAN**

3.1 The Gateway O Review of PACSPE was undertaken on 6<sup>th</sup> and 7<sup>th</sup> May 2009 and was reported to the PACSPE Members Group on 15 July 2009. This was the first Gateway Review to be undertaken of PACSPE. The purpose of a Gateway O Review is to undertake a strategic assessment of the project. PACSPE was assessed by the 4ps as Amber on a scale of Red/Amber/Green.

3.2 This means that *“successful delivery (of the project) appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun”*.

3.3 In support of this assessment the 4ps made the following comments:

*“The Review Team finds that the Council successfully engaged an advisor to deliver the options appraisal report. An experienced project manager/change agent from outside the*

*authority is in place. The advisor is engaging with all stakeholders as part of the options appraisal process.*

*There are a number of important projects which need to be commenced now to achieve the desired programme timescale. This work will support the Council in achieving an informed decision on the best model for future service delivery.*

*The programme will probably expand very rapidly in its draw on resources and time. The Council needs to apply the appropriate resources”.*

- 3.4 The 4ps also made eight recommendations. These were discussed by the PACSPE Members Group at their meeting of 15<sup>th</sup> July 2009 and actions were agreed in response to the recommendations. A table showing the 4ps recommendations and the actions agreed are attached as Appendix 1.

#### 4.0 **INTERIM BUSINESS CASE REPORT**

- 4.1 At its meeting on 4 March 2009 the PACSPE Members Group endorsed the appointment of Capita Symonds to develop a Business Case and service delivery options for the Parks and Countryside Service, in accordance with the terms of reference contained in the Business Case Proposal document submitted to the PACSPE Members Group at its meeting on 19 February 2009.

- 4.2 The PACSPE Members Group was consulted by Capita Symonds at its meeting on 7<sup>th</sup> May 2009 when members were asked to express their views of the existing service arrangements of the Parks and Countryside Service, their expectations and aspirations for the future and the key issues affecting the service. Based on their research and consultations to date, Capita Symonds has now produced an Interim Business Case Report which appraises the service delivery options available to Wirral for the Parks and Countryside Service and the Streetscene grounds maintenance contracts.

- 4.3 The Interim Business Case Report looked at the main service delivery options and identified three for more detailed consultation; traditional procurement, partnership contracts and concessions or franchise.

- 4.4 Traditional Procurement is currently used by Technical Services for the highway verges contracts and whilst it will increase the requirement for procurement resources in the short term and administrative resources in the longer term it would suit a service divided into different functional areas such as Parks and Countryside.

- 4.5 Partnering contracts are flexible and work well with services that are combined together with a strategic partner. The collaborative approach can enable more flexibility if changes to service requirements are needed but requires clear agreements on the outcomes and benefits which are to be achieved.

- 4.6 The Parks and Countryside Service has a number of areas where there is significant income, in particular the crematorium and golf. Capita Symonds have recommended that the option of concession or franchise is retained to allow these areas of income to be considered as part of a traditional procurement or partnering service delivery model.

- 4.7 Capita Symonds identified four procurement procedures which could be used; open, restricted, competitive dialogue and negotiated. They advised that the appropriate procurement process will emerge once the service delivery option has been agreed.

- 4.8 The PACSPE Members Group agreed to instruct Capita Symonds to provide more detailed analysis of the procurement models for traditional procurement, partnering

contracts and concessions or franchise as set out in their report. Cabinet are asked to endorse the variation to the engagement of Capita Symonds.

## **5.0 NEXT STAGES**

5.1 The final Business Case report is due from Capita Symonds on 28<sup>th</sup> August 2009. It will be considered by the Members Group in September/October 2009 along with the recommendations from the Gateway 1 Review and reported to Cabinet in November. The Gateway 1 Review has now been arranged for 29<sup>th</sup> and 30<sup>th</sup> September. A charge for Gateway reviews of £15,000 per review has recently been introduced by the Government.

5.2 At its meeting on 5<sup>th</sup> February 2009 (minute 356 refers) Cabinet agreed to allocate £85,000 from the Efficiency Investment Budget to be spent in 2008/09 and 2009/10. This funding has now been fully spent or committed for consultancy costs and the cost of the Gateway O Review. In order to continue the procurement exercise and fund the Gateway 1 and subsequent four Gateway Reviews a further £75,000 will need to be allocated.

5.3 The Gateway O Review recommends that the size of the project resource is increased. This is being done in part through existing staff but further consultancy support will be required and members are asked to allocate an additional £40,000 from the Efficiency Fund.

## **6.0 FINANCIAL IMPLICATIONS**

6.1 £115,000 is requested from the Efficiency Investment Budget to pay for the Gateway reviews and additional project support to be paid in 2009/10 and 2010/11.

6.2 Consultancy support will be competitively sourced in accordance with the Council's Contracts Procedure Rules and EC Procurement Directives where appropriate.

## **7.0 STAFFING IMPLICATIONS**

7.1 With existing staff supporting the PACSPE project (and limited additional project support) it may mean that other areas of work are subject to delays.

## **8.0 EQUAL OPPORTUNITIES IMPLICATIONS**

8.1 There are none arising from this report.

## **9.0 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are none arising from this report.

## **10.0 LOCAL AGENDA 21 IMPLICATIONS**

10.1 There are none arising from this report.

## **11.0 PLANNING IMPLICATIONS**

11.1 There are none arising from this report.

**12.0 ANTI-POVERTY IMPLICATIONS**

12.1 There are none arising from this report.

**12.0 SOCIAL INCLUSION IMPLICATIONS**

13.1 There are none arising from this report.

**13.0 LOCAL MEMBERS SUPPORT IMPLICATIONS**

14.1 There are none arising from this report.

**15.0 BACKGROUND PAPERS**

15.1 The 4ps Gateway Review O – Strategic Assessment Final Report dated 7<sup>th</sup> May 2009  
Capita Symonds – Interim Business Case

**16.0 RECOMMENDATION**

16.1 The Cabinet is asked to support the actions listed in Appendix 1.

16.2 Cabinet endorse the Member Group decision, in response to the 4ps recommendations, to instruct Capita Symonds to provide a more detailed analysis of three procurement options.

16.3 That a further £115,000 is allocated from the Efficiency Investment Budget to pay for the cost of further Gateway reviews and additional consultancy support to be spent in 2009/10 and 2010/11.

Alan Stennard  
Director of Regeneration

This report was prepared by Dave Cowling who can be contacted on 666 4792

WIRRAL COUNCIL

CABINET – 3 SEPTEMBER 2009

PARKS AND COUNTRYSIDE SERVICE PROCUREMENT EXERCISE (PACSPE)

Appendix 1

Ref. No.	4ps Recommendation	Critical/ Essential/ Recommended	Action Agreed
1	That the Council should clarify what it requires in terms of value for money, quality of service and community engagement in the context of a robust approach to benefits realisation.	Essential-do before September Cabinet date	The principles of value for money, quality of service and community engagement were stated in the Business Proposal Document. However, in order to provide an agreed Benefits Realisation Plan the Project Team have compiled a list of issues relevant to the terms and this information will be added to the varied potential outcomes Capita Symonds have compiled from the separate meetings with officers and Members. The Business Case will clarify these terms and detail benefits to be realised in relation to the recommended service option(s).
2	That work should commence on the asset register and other key supporting projects now as an essential precursor to the revised management of the service or commencement of procurement activity.	Critical	The Project Team is undertaking a review of relevant asset information. It will assess what action is required to ensure that the relevant information is "fit for purpose", the likely cost of this action and the project timeframe to complete.
3	That the size of the project management resource is increased to allow the timely delivery of all the projects in the programme. The practice of combining key project roles with a demanding day job should cease.	Essential-do before September Cabinet date	It is considered that this recommendation is critical to the success of the project. It is, however, for the Project Board and Chief officers to determine the outcome. It is intended that this work will be completed within the timeframe required by the Gateway 1 Review.
4	That contingency planning should be extended to include further measures to mitigate programme delays	Essential-have in place by September Cabinet date	The Risk Register sub-group has assessed a number of the risks associated with possible delays to the procurement programme and an amended Risk Register has been compiled. Any new risks associated with programme delays will be assessed when they are identified.

5	That the Council should seriously consider, and resource, a competitive dialogue approach as a key technique to (a) explore options with suppliers and (b) further crystallise stakeholder consensus	Recommended	<p>The Project Team have compiled a report on Competitive Dialogue. The Project Team believe that this procurement process is complicated and expensive. It will be necessary to agree a strategy/vision/benefits realisation plan.</p> <p>The service delivery option approved by Cabinet will need to identify the appropriate procurement process. The Business Case will reflect Capita Symonds recommended service delivery option and the relevant procurement process. The Gateway Review team's recommendation will be considered within the framework of the Business Case.</p>
6	That the communications plan is refreshed to include regular briefing of internal and external stakeholders to (a) reduce stakeholder resistance and (b) increase market interest in the forthcoming procurement	Critical	The Project Team have approved an amended Communications Plan which takes account of the recommendation.
7	That stakeholder visits to parks and open spaces and procurement examples of best practice are arranged in the run up to the September decision on the desired option	Recommended	The Project Manager and Capita Symonds will compile a list of a number of service deliverers whose services are considered "best practice". A full report of any visits will be given to the Project Board and PACSPE Members Group so that Members can decide if Member visits will be beneficial to the procurement process, dependent on Member availability.
8	That the Council considers the use of a member seminar in September to discuss the Capita Symonds options appraisal report	Recommended	The PACSPE member group has been formed to provide member input into the procurement exercise. The Cabinet will be asked to consider the recommendations from the Capita Symonds Business Case. The Board and Members Group will decide on any further communication channels thought necessary.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank