

Town Hall
Lord Street
Southport
PR8 1DA

To: Members of the Cabinet

Date: 11 December 2009

Our Ref:

Your Ref:

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Dear Councillor

CABINET - THURSDAY 17TH DECEMBER, 2009

I refer to the agenda for the above meeting and now enclose the following report(s) which were unavailable when the agenda was printed.

Agenda No.	Item
7.	Medium Term Financial Plan 2010/11 to 2012/13 - Update Report of the Finance and Information Services Director
8.	Southport Cultural Centre - Temporary Library Service The Cabinet is requested to consider the content of the minutes of the meeting of the Overview and Scrutiny Committee (Performance and Corporate Services) held on 9 November 2009 relating to the redevelopment of the Southport Cultural Centre
10.	Southport Cultural Centre - Arts and Cultural Services Interim Service Proposals Report of the Leisure Director
23.	Strategic Budget Review - Update Report of the Chief Executive

Yours sincerely,

C J Elwood

Legal Director

Agenda Item 7

REPORT TO: Cabinet

DATE: 17 December 2009

SUBJECT: Medium Term Financial Plan 2010/11 – 2012/13 – Update

WARDS AFFECTED: All

REPORT OF: Margaret Carney
Chief Executive

CONTACT OFFICER: Lynton Green
0151 934 4096

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To update the Authority's Medium Term Financial Plan (MTFP) for 2010/11 to 2012/13 and to recommend changes to assumptions that better reflect the current forecast position.

REASON WHY DECISION REQUIRED:

The updated MTFP position for the period 2010/11 - 2012/13 was considered at Cabinet on 3 December 2009. Further information is now available which will enable the budget gaps to be updated and which will provide better information for Cabinet to consider decisions to balance the budget.

RECOMMENDATION(S):

Cabinet is recommended to:

1. Note the amended Budget Gaps for 2010/11, 2011/12 and 2012/13;
2. Amend the assumption for the level of pay award provision to 0.5% in 2010/11 and 1% in the following two years;
3. Consider if the "Other Services Growth" should be deleted at this stage;
4. Increase the provision for unavoidable demand to £6.685m in 2010/11, £4.608m in 2011/12 and £3.851m in 2012/13, as detailed in paragraph 4.1.2;
5. Consider the current approved Capital Programme and confirm any action in respect of individual capital schemes;
6. Note the current assumption of a 3% Council Tax increase, which will be considered further in the new year; and,
7. Forward any amendments to the MTFP to Council for approval.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: Following the expiry of the call-in period for this meeting.

Agenda Item 7

ALTERNATIVE OPTIONS: The Cabinet could choose not to approve an updated MTFP, or any of the specific items suggested for inclusion in the budget. However, a budget must be set by 10 March 2010 at the latest.

IMPLICATIONS:

Budget/Policy Framework:

The MTFP sets the policy framework for future years financial planning.

Financial:

Whilst there is uncertainty around external revenue support from Government beyond 2010/11, it is important not to under estimate the budget issues in future years. This report aims to provide a fuller picture across the period of the Medium Term Financial Plan, rather than just 2010/11. Cabinet will need to consider the items contained in the MTFP over the coming months to determine the actual budget and Council Tax implications for future years.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton Capital Resources	N/a	N/a	N/a	N/a
Specific Capital Resources	N/a	N/a	N/a	N/a
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton funded Resources	N/a	N/a	N/a	N/a
Funded from External Resources	N/a	N/a	N/a	N/a
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal:

None

Risk Assessment:

A properly formulated MTFP will anticipate and seek to minimise operational and financial risk.

Asset Management:

None

CONSULTATION UNDERTAKEN/VIEWS

Agenda Item 7

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Jobs and Prosperity	√		
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities	√		
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening local Democracy	√		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Initial Medium Term Financial Plan 2010/11 – 2012/13
Cabinet Budget Away Day papers July 2009
Cabinet report 1 October 2009
Cabinet report 25 November 2009
Cabinet report 3 December 2009

Agenda Item 7

1. Introduction

- 1.1. At its meeting of 3 December, Cabinet received a report on the Transformation Programme Update, Strategic Budget Review. An updated Medium Term Financial Plan (MTFP) for 2010/11 – 2012/13 was approved, as was the recommendation for Council on the 17 December to approve a series of savings options. The resultant projected budget gaps as a result of these assumptions were as follows:

	2010/11 Budget Gap £m	2011/12 Budget Gap * £m	2012/13 Budget Gap * £m
Budget Gap as presented to Cabinet 3 December 2009	10.161	8.816	5.527
Savings endorsed at the 3 December Cabinet ** (See Annex A)	-1.718	-0.492	0
Amended budget gap	<u>8.443</u>	<u>8.324</u>	<u>5.527</u>

* Assumes the previous year's budget gap has been addressed.

** Subject to Council approval 17 December

- 1.2. This report highlights further information on emerging spending pressures and provides Members with the opportunity to approve (or amend) assumptions contained in the Plan, for subsequent consideration and approval by Council.
- 1.3. This report also considers the potential impact of the current economic conditions and the resultant uncertainty surrounding future levels of external support from Government. In addition, the potential impact of projected population levels for Sefton on Government support is also highlighted.

2. Current MTFP Assumptions

- 2.1. The report to Cabinet on 3 December 2009 identified the base assumptions used to determine the budget gap for 2010/11 – 2012/13. These included: -

	2010/11	2011/12	2012/13
Indicative Council Tax increase	3.00%	3.00%	3.00%
Non-School Pay inflation	1.25%	2.25%	2.25%
Non-School Price inflation:			
- Priority services	2%	2%	2%
- Other services	0%	1%	1%
Priority Services growth	£3.500m	£3.500m	£3.500m
Other Services growth	£0.500m	£0.500m	£0.500m

Agenda Item 7

2.2. Cabinet is asked to review the assumptions and recommend if any should be revised at this stage. In particular, it is recommended that the following should be revised: -

2.2.1. **Consider the current level of pay award.** Commentators suggest that pay awards are likely to be lower than is currently provided for. A reduction of the pay award provision over the three years to (say) 0.5%, 1% and 1% would reduce the budget gaps by £0.641m, £1.094m and £1.137m respectively;

2.2.2. **The need for any provision for “Other Services” growth.** A number of “bids” have been referred to the budget process that would come from this source. These are noted below: -

	2010/11	2011/12	2012/13
	£m	£m	£m
(a) Playbuilder schemes	0.000	0.043	0.018
(b) Climate Change / Inland Flooding	0.122	0.000	0.000
(c) Shop Mobility	0.015	0.010	0.005

Annex B provides further information on each of these items.

2.2.3. It should be noted that the above schemes have been referred to the budget process, following reports by the relevant service director. There has not been a general request to all directors to see if any other issues should be referred.

2.2.4. Cabinet is asked to consider whether any of the above schemes should be included in the MTFP, or whether **any** provision for “Other Services” growth is appropriate during the next three years.

2.2.5. It is suggested that the level of Council Tax increase, built into the MTFP, be considered further in the New Year. Members are reminded that a 1% change in Council Tax equates to £1.147m.

3. **Central Government Support**

3.1. The provisional local government settlement for 2010/11 was announced on 26 November 2009 which resulted in a 2.43% increase in grant for Sefton in 2010/11. This increase is unchanged from the figure previously declared by the Department for Communities and Local Government (DCLG); therefore no change is required for the existing MTFP. The final agreed Formula Grant settlement for 2010/11 is expected to be announced in January 2010.

3.2. The Government settlement for the following two years (i.e. 2011/12 & 2012/13) was expected to be announced in the 2009 Comprehensive Spending Review. The Government has since announced that this will be deferred until after a General Election.

3.3. All national political parties have indicated that due to the economic situation, there is a need to reduce the level of Government spending in the future. The level and impact of any changes in support of local government remains unclear at present. Commentators suggest that the Government may provide more detail when the Pre-Budget report is announced in November. However, the proximity of a

Agenda Item 7

General Election means that future Government support for local government in general, and Sefton in particular, will not be known for some time. The MTFP assumes (see above) no increase in Formula Grant for 2011/12 and 2012/13; however, it may be that this assumption may be on the high side. It should be noted that the impact of every 1% reduction in Formula Grant would equate to: -

	2011/12	2012/13
	£m	£m
1% Reduction in Formula Grant	1.246	1.234

- 3.4. There is a further potential complicating factor that needs to be borne in mind for 2011/12 and beyond. The Office for National Statistics have just announced revised population projections for consultation; these figures are used within the formula to determine every authorities' external support. For Sefton, this shows a reduction compared against a nationwide projected increase in population; the table below highlights the potential position: -

Year	Sefton (000s)	Change (%)	England (m)	Change (%)	Net difference with England (%)
2010 (Current)	278.5	-	51.715	-	-
2011 (Consultation)	272.1	-2.3	52.577	+1.7	-4.0
2012 (Consultation)	271.2	-0.3	52.954	+0.7	-1.0
2013 (Consultation)	270.4	-0.3	53.332	+0.7	-1.0

- 3.5. The relative change in Sefton's population with England as a whole is a major determinant of the potential change in external grant. The raw impact on Sefton is that this could result in the Council becoming a "Floor Authority" (we are currently above the Floor). If the Council had been a Floor authority in 2009/10, Sefton would have received £1.1m less Formula Grant. Existing "Floor" authorities received a minimum increase in grant of 1.5% in 2009/10. There is no guarantee that it will be at this level in future years.
- 3.6. Work is ongoing within the Council to analyse these figures and to see if there is any possibility to argue against the proposed population figures.
- 3.7. The combination of the current public sector spending debate plus the population changes confirms the previous advice to Cabinet that the grant forecasts for 2011/12 and 2012/13 may be optimistic. At this stage, no adjustment to the grant assumption in the MTFP forecasts is recommended but this will need to be kept under close review over the coming months.

Agenda Item 7

4. Other Issues

4.1. Unavoidable Demand in Social Care

- 4.1.1. A review of budget pressures currently being experienced in Children's Services and Health and Social Care has been undertaken. This has identified that the pressures are likely to continue, and in fact grow, over the coming years. Currently there is an additional allocation in the MTFP of £3.5m pa for these additional costs; the review now indicates that this is likely to be too little and further resources are likely to be required: -

	2010/11	2011/12	2012/13
	£m	£m	£m
Children's Services	4.458	0.917	1.390
Health & Social Care	2.227	3.691	2.461
Total additional budget provision required	6.685	4.608	3.851

- 4.1.2. Based upon the above figures, the additional resources required (over and above the existing £3.5m) is +£3.185m, +£1.108m and +£0.351m for the years 2010/11 to 2012/13.
- 4.1.3. It should be noted that the above requirement may result in greater demand for services for the Specialist Transport Unit. Any potential costs have not been included in the above statement.
- 4.1.4. A "Peer" review (by other service directors) has been undertaken to challenge the additional needs of these two services. This exercise has confirmed that the initial projections (included in the above table) are reasonable projections of the pressures likely to be experienced over the coming three years.
- 4.1.5. It is important for effective financial management that any increased costs associated with additional demand are included within the budget. The consequence of not doing so would be an in-year overspend. It is recommended that the increased forecast be included in the planning assumptions for the MTFP.

4.2. Collection Fund

- 4.2.1. The current MTFP has assumed a deficit on the Collection Fund of £0.430m. Work is currently underway with Arvato to consider the provision for bad debts for Council Tax. Once this is complete, the impact of this will be reported to Cabinet, including any amendment of the deficit figure.

4.3. Area Based Grant

- 4.3.1. Members will be aware that £2.36m of ABG was used to support the 2009/10 budget. This was approved for one year only. Work is currently being undertaken to assess if a further allocation could be made in 2010/11 and to ensure that there is no double counting with the options identified under the Strategic Budget Review. Further work is being undertaken to analyse expected commitments against Area Based Grant. The results of this exercise will be included in a future report.

Agenda Item 7

5. Capital Programme

- 5.1. Attached at Annex C is a summary of the currently approved capital schemes which have yet to be contractually committed. The Strategic Budget Review identified a review of the Capital Programme as being an option to reduce revenue expenditure.
- 5.2. It should be noted that the MTFP has provision for the loan charge implications of these schemes. Therefore, if a scheme were to be deferred or deleted, the reduction in the budget gap would equate to the revenue borrowing costs figure only. Cabinet is asked to review these schemes and indicate any action to be taken. It should be noted that work is continuing on the development and procurement of all these schemes in line with the original approval.
- 5.3. It should be noted that despite the recent approval of the Building Schools for the Future scheme to go to the next stage, no provision has yet been included in the MTFP for any costs that will arise from the capital scheme. A detailed report is currently being prepared, including the financial implications of the preparation costs. Cabinet will consider this in the New Year. Given that these costs will be non-recurring there is an option to fund the implications from one-off resources such as the Modernisation Fund or Performance Reward Grant. This will be considered in the future report.

6. Conclusion

- 6.1. In common with most public sector organisations the Council is facing a challenging financial context. The forecast level of Government resources plus increased demand for services means that the Council needs to make significant reduction in its spending. This report reviews the MTFP assumptions and compliments a report elsewhere on the agenda, which updates Cabinet on the Transformation Programme savings options. The table below summaries the latest budget gaps

	2010/11	2011/12	2012/13
	Budget	Budget	Budget
	Gap	Gap *	Gap *
	£m	£m	£m
Budget Gap Para 1.1	+8.443	+8.324	+5.527
Reduction in Pay Provision	-0.641	-1.094	-1.137
Delete "Other Service Growth"	-0.500	-0.500	-0.500
Additional Unavoidable Pressures	+3.185	+1.108	+0.351
Amended budget gap	<u>+10.487</u>	<u>+7.838</u>	<u>+4.241</u>

It should be noted that the gap would reduce by any allocation from Area Based Grant and/or any deferment of capital schemes.

7. **Recommendations**

7.1. Cabinet is recommended to:

1. Note the amended Budget Gaps for 2010/11, 2011/12 and 2012/13;
2. Amend the assumption for the level of pay award provision to 0.5% in 2010/11 and 1% in the following 2 years;
3. Consider if the “Other Services Growth” should be deleted at this stage.
4. Increase the provision for unavoidable demand to £6.685m in 2010/11, £4.608m in 2011/12 and £3.851m in 2012/13, as detailed in paragraph 4.1.2;
5. Consider the current approved Capital Programme and confirm any action in respect of individual capital schemes;
6. Note the current assumption of a 3% Council Tax increase, which will be considered further in the new year; and,
7. Forward any amendments to the MTFP to Council for approval.

Agenda Item 7

ANNEX A

Impact of Transformation Programme savings items

	2010/11	2011/12	2012/13
	£m	£m	£m
Review of Management Accounting	-0.083	-0.017	
Review of Audit	-0.025		
Review of Civic Facilities (Civic Operations Service)	-0.050	-0.010	
Review of Governor Services	-0.044		
Review of Service Management & Support	-0.010		
Review of Stock Services Unit	-0.037		
Review of Senior Management	-0.100		
Review social workers / occupational therapist team management structure	-0.200		
Review of Building Control	-0.083	-0.017	
Review of Southport Pier Staffing	-0.016	-0.003	
Review of Health Unit	-0.030		
Review of Equalities Partnership		-0.100	
Reduce core-funded training	-0.030		
Student Support	-0.023		
Secondary ICT Strategy	-0.030		
Libraries Book Fund - reduce budget	-0.050		
Extra Income - various schools, lone worker, alarms	-0.015		
Careline - annual income exceeding budget	-0.100		
Introduce Pay & Display at Crosby Civic Hall / Library Car Park	-0.047		
Cems & Crems - review of charges	-0.054		
Establish Pay & Display parking on the coastal car parks in Crosby	-0.030		
Improve management of golf and maximise income	-0.015		
Review role of Health Unit and consider partner	-0.020		
Beach safety partnership with the RNLI	-0.026	-0.009	
Review Advertising Strategy etc	-0.083	-0.167	
Schools Causing Concern - undertake in house	-0.020		
PEPS - Cease discretionary service		-0.169	
Do not replace ESR Advisor post from August 2009	-0.055		
Able Pupils - cease project	-0.022		
Reduce Departmental Training budget	-0.008		
Cease telephone allowances payable to senior officers	-0.002		
Reduction in third party expenditure related to staff development	-0.100		
Negotiate a reduction in contract price with New Directions	-0.150		
Full year effect of personalisation agenda in relation to Brooklea	-0.160		
	-1.718	-0.492	0.000

Items Referred by Cabinet for Consideration during the Budget Process

Playbuilder Schemes

In 2008 the Council successfully applied to the Department for Children, Schools and Families (DCSF) for Fair Play 'Playbuilder' status. Capital Grants were available to the Council for three years to provide innovative and stimulating play equipment and landscaping which would facilitate physically active play opportunities for all children, but with a particular focus on 8-13 year-olds. Six schemes were built into the 2008/2009 Capital Programme (total cost £285,479), with a further 8 schemes in the 2009/2010 Capital Programme (total cost £409,729).

Sefton is responsible for the maintenance of those schemes on its own land. There are currently no resources to fund this ongoing maintenance. Without resources, the schemes will have a finite life-span, needing to be decommissioned if they are vandalised or deteriorate. Cabinet referred the ongoing maintenance costs of those schemes approved to date (£43,900) to the budget process. In addition, it is anticipated that a further £18,500 will be required for the ongoing maintenance costs of the schemes to be included in the third year of the programme.

Climate Change / Inland Flooding

Cabinet on 25 November 2009 considered a report, which set out the effects that climate change may have on inland flooding in Sefton and identified changes and improvements, which, if implemented now, would reduce these effects now and in the future. These improvements included:

- a) Reinstatement drainage funding stream budgets back to the levels in 2004/05, which will allow an increase in the number of flooding problems that can be tackled (£75,000).
- b) An increase in the land drainage allocation to enable further strategic watercourse maintenance to be undertaken across Sefton in line with the Pitt Review recommendations (£47,000).

Cabinet resolved that a provision of revenue growth of £122,000 in drainage budgets, in particular for land drainage, be considered further during the 2010/11 budget process.

Shop Mobility

Council on 26 February 2009 approved growth of £25,000 for Shop Mobility to be included as part of the 2009/2010 Base Budget. This was an initial amount to contribute to the anticipated funding shortfall of Southport Shop Mobility, with future amounts to be negotiated with the organisation by officers. Following discussions, additional amounts of £15,000 in 2010/11, a further £10,000 in 2011/12 and a further £5,000 in 2012/13 are now considered necessary to fund the organisation. Therefore total funding would be £55,000 from 2012/13.

Agenda Item 7

ANNEX C

2009 to 2014 Capital Programme - Uncommitted Schemes over £100,000 as at 26 November 2009

Ref	Scheme	2009/10	2010/11	2011/12	2012/13	Three Year Cost
		£'000	£'000	£'000	£'000	£'000
1	Thornton – Switch Island Link Road	750	712	1,949	2,015	5,426
	<i>Revenue borrowing costs</i>	<i>N/A</i>	33	33	99	165
	<i>Other running costs</i>					?
2	Netherton Activity Centre	972	4,024			4,996
	<i>Revenue borrowing costs</i>	<i>N/A</i>	43	314		357
	<i>Other running costs</i>		?	?		?
3	Southport Market Refurbishment	50	1,611	1,401		3,062
	<i>Revenue borrowing costs</i>	<i>N/A</i>	3	117	148	268
	<i>Other running costs</i>		217		(65)	152
4	Pine Grove Depot			200	3,690	3,890
	<i>Revenue borrowing costs</i>			0	15	15
	<i>Other running costs</i>					
5	Southport Cultural Centre	0	163	6,046	910	7,119
	<i>Revenue borrowing costs</i>		0	12	462	474
	<i>Other running costs</i>					
6	Older Persons Housing Strategy	330	2,500			2,830
	<i>Revenue borrowing costs</i>	<i>N/A</i>	15	117		132
	<i>Other running costs</i>					0
7	Hawthorne Road carriageway maint'ce	104	1,000			1,104
	<i>Revenue borrowing costs</i>	<i>N/A</i>	7	75		82
	<i>Other running costs</i>		?	?		?

Agenda Item 7

Ref	Scheme	2009/10	2010/11	2011/12	2012/13	Three Year Cost
		£'000	£'000	£'000	£'000	£'000
8	Southport Commerce Park – Phase 3	234	650			884
	<i>Revenue borrowing costs</i>	<i>N/A</i>	20	66		86
	<i>Other running costs</i>					
9	Balliol House - demolition	0	750			750
	<i>Revenue borrowing costs</i>			65		65
	<i>Other running costs</i>		(450)	(50)		(500)
10	Botanic Gardens Museum – roof & lift	375				375
	<i>Revenue borrowing costs</i>	<i>N/A</i>	26			26
	<i>Other running costs</i>					
11	IT Strategy – Health & Social Care	152	100			252
	<i>Revenue borrowing costs</i>	<i>N/A</i>	37	55		92
	<i>Other running costs</i>					
12	Energy Efficiency Measures	250				250
	<i>Revenue borrowing costs</i>	<i>N/A</i>	17			17
	<i>Other running costs</i>					
13	Crosby Coastal Park	200				200
	<i>Revenue borrowing costs</i>	<i>N/A</i>	75			75
	<i>Other running costs</i>					
14	Disaster recovery, business continuity	181				181
	<i>Revenue borrowing costs</i>	<i>N/A</i>	44			44
	<i>Other running costs</i>					

Agenda Item 7

Ref	Scheme	2009/10	2010/11	2011/12	2012/13	Three Year Cost
		£'000	£'000	£'000	£'000	£'000
15	Roof repairs to Libraries	157	21			178
	<i>Revenue borrowing costs</i>	<i>N/A</i>	<i>11</i>	<i>5</i>		<i>16</i>
	<i>Other running costs</i>					
16	Demolition fund	170				170
	<i>Revenue borrowing costs</i>	<i>N/A</i>	<i>14</i>			<i>14</i>
	<i>Other running costs</i>					
17	Development fund	160				160
	<i>Revenue borrowing costs</i>	<i>N/A</i>	<i>7</i>			<i>7</i>
	<i>Other running costs</i>					
	Total Capital Payments in year	4,085	11,531	9,596	6,615	31,827
	Total extra revenue borrowing costs	N/A	352	859	724	1935
	Total extra other (net) running costs	0	(233)	(50)	(65)	(348)

NB

- i. The revenue borrowing costs and other running costs full year cost are not the sum of each years' totals owing to the phasing of capital payments and the phasing of income upon the completion of the Market scheme but represent the overall net impact on the Council's revenue budget assuming all schemes are completed as programmed.
- ii. Should Members decide to recommend that any uncommitted schemes be deleted from the Capital Programme then any expenditure incurred on preliminary work, for examples, design fees, site acquisitions etc., will, based on the existing Capital Financing Regulations, be deemed abortive and will unable to be capitalised and will therefore need to be met from revenue budgets thus increasing the pressures on the Council's finances. Any such costs are highlighted in the following paragraphs.
- iii. Similarly, any schemes that have grant assistance towards their costs may require such funds repaying to the external body in the event of the scheme being cancelled.

Supporting Information - Capital Programme Uncommitted Schemes

1. Thornton Switch Island Link

Cabinet approved £5.912m on 17 May 2007 as the Council's contribution to overall scheme costs that are currently £21.4m. The scheme has already been given DfT 'Programme Entry' status and this contribution is required to allow the scheme to progress to full DfT 'Approval to Proceed' status. Cabinet on 1 October 2009 received an update report on the scheme and noted the revised programme and spend profile for the scheme which is currently at the design stage with ground tests, site investigations and land surveys being carried out.

The Department for Transport has agreed that the base fundable scheme costs are £17.5m and they will fund 90% of this (£15.8m), the remaining 10% (£1.7m) will be funded by the Council from the £5.9m approved. This £17.5m includes elements for inflation, risk and optimism bias i.e. it allows for costs to increase for 3 reasons. If costs increase substantially due to the optimism element the DfT may increase their grant accordingly.

It is anticipated that there will be a need for additional budgets to cover road sweeping and maintenance after the new road is completed but these cannot be quantified at this stage.

The scheme has one of the highest cost benefit ratios in the country and will benefit business, industry, residents and tourism in the Borough through improved accessibility, reduced journey times and congestion.

To date c £0.5m has been incurred on design and survey fees which would need to be funded from revenue should the scheme not proceed to completion.

The need for an improved link between the M57/M58/A5036/A59 Switch Island to the A565 at Thornton to by-pass the local communities of Netherton and Thornton is well established.

The objectives of the scheme are to:

- Relieve congestion on the local highway network, thereby improving the local environment and quality of life for local residents.
- Improved local access, safety, public transport, walking and cycling in the corridor
- Improved highway access to the motorway network to support economic development opportunities, particularly for Southport.
- Contribute to improved access to the Port of Liverpool by reducing delays at the A5036/Copy Lane junction.

The scheme is supported for Regional Funding Allocations having been prioritised in the top quartile of over 120 major transport schemes in the Northwest Region. The scheme demonstrates an exceptional Benefit Costs Ratio.

The scheme has overwhelming public support with nearly 90% of respondents to the last consultation supporting the scheme.

Excellent progress is being made to the submission of a Planning Application by the beginning of April 2010.

Agenda Item 7

2. Netherton Activity Centre

Cabinet approved £3.6m for this scheme on 24 January 2008 and a further £1.6m on 14 May 2009 (to replace an equivalent S106 deposit which was no longer expected owing to the economic climate); both amounts to be funded via prudential borrowing. Cabinet approved a further £0.4m for the scheme on 1 October 2009, which will be funded via Children's Services capital grant. The scheme is intended to rebuild the centre and provide family facilities including a sports hall, library, IT suite, youth club, activity studio and fitness suite. The scheme is currently at planning application stage and contractor submissions are being analysed for short listing. Contractor PQQ assessments and financial checks have been carried out on the 12 short listed contractors. The scheme is in the final stage of design and no contract has yet been let.

The facility is critical for delivering key services to the community in that area and there will be impacts on performance and budgets elsewhere in the Council if the scheme cannot proceed.

To date c £0.25m has been incurred on design fees which would need to be funded from revenue should the scheme not proceed to completion.

3. Southport Market Refurbishment

Cabinet approved this scheme on 14 May 2009 at a cost of £3.22m, to be funded via prudential borrowing, phased over 3 years. This scheme will refurbish the Southport Indoor Market on its existing site. The scheme has currently progressed to the preliminary design stage and consultation with stallholders. To date £45,691 has been incurred on design fees which would need to be funded from revenue should the scheme not proceed to completion. The income from the current market is reducing and will cease altogether if the scheme cannot proceed and the Market closes.

4. Depot Replacement (Pine Grove)

Cabinet approved this scheme on 14 May 2009 at a cost of £3.89m, to be funded via prudential borrowing, phased £0.2m in 2011/12 and the balance of £3.69m in later years. This was described to SAMG on 9 December 2008 as 'provision of a new depot facility which will also facilitate potential HMRI development of the People's site'.

There has been no expenditure incurred on this scheme and no progress has yet been made, as it is not intended to start until 2011/12. No contracts have been let and no design has been undertaken.

5. Southport Cultural Centre

Following confirmation of the second external £4m contribution to the scheme Cabinet approved its £7.3m share of this £15.3m scheme on 12 December 2009. The Council's contribution, to be funded by prudential borrowing, will not be required until the £8m external funding has been spent i.e. March 2011. In addition to the revenue borrowing costs the scheme is estimated to require an additional £200,000 for the first two years of operation to meet anticipated extra costs of business rates and contribution to sinking fund for maintenance before event income recovers to balance these extra costs. A tender exercise is currently underway and work is expected to commence in April/May 2010.

To date £539,500 has been incurred on design fees which would need to be funded from revenue should the scheme not proceed to completion. The complex consists of listed buildings in a poor state of repair and the Council will be faced with carrying out significant repair work and reducing service provision if the scheme cannot proceed.

6. Older Persons Housing Strategy

Cabinet approved this on 24th January 2008 at a cost of £3m phased in 2008/09 and 2009/10 for the implementation of extra care housing provision and is a key recommendation from the Sefton Older People's Housing Study. £170k will be incurred during 2009/10 in support of a scheme that started on site in September 2009, which will deliver 24 units of accommodation. Talks are ongoing with Housing Associations regarding other schemes. Some are further on than others, however one has the potential to be developed during 2010/11 and a requirement for the Council to contribute towards the cost is highly likely.

Extra care housing is self-contained housing with communal facilities and 24 hour support on site and is promoted by the Government as being a good model of support. Schemes are 'invest to save' projects, which will save the Council on future social care costs by preventing long term conditions from worsening and are efficient in utilisation of social care monies.

7. Hawthorne Road carriageway maintenance

This prudential borrowing is being used together with Local Transport Plan resources for footway and carriageway resurfacing of Hawthorne Road, for which design is now complete. It is also intended to improve the junction of Linacre Lane and Hawthorne Road. It is hoped that the main scheme will go out to tender in April 2010.

2010/11 will be the final year of a four-year programme of carriage and footway maintenance improvements along the Hawthorne Road Corridor from the Borough Boundary with Liverpool to the Hawthorne Road/ Church road junction.

The final stage will be a major improvement to the Hawthorne Road/Linacre Road junction to increase capacity, improve safety and provide segregated pedestrian crossing facilities. This will accommodate increased traffic movements due to development activities in the area and the pedestrian improvements are urgently required particularly to enable the School Crossing Patrol to operate efficiently and safely.

8. Southport Commerce Park

The provision of £884,000 (reduced from £1m by Cabinet on 14 May 2009) is earmarked as part match funding for two bids to NWDA for ERDF grant, which are currently being appraised. The bid was initially rejected, however, it is understood that NWDA are currently reviewing their decision. If successful, the project would have to commence in 2010/11 to meet grant body spend targets. The project value is estimated to be circa £3.3m. Sefton will deliver a package of environmental and infrastructure works at the site, which will remove existing obstacles to further private sector development.

9. Balliol House Demolition

Cabinet approved this scheme on 14 May 2009 as part of the accommodation strategy within the Council. Staff will vacate Balliol House between January and March and the data centre will be completely relocated to St Peter's House by mid April and demolition is planned to commence soon after. An application for £700,000 of grant assistance towards the £1.4m cost of demolition, site works and landscaping (including works to Connolly House) has been accepted by the NWDA. We have been invited to develop the Concept Form.

Members should note that the running costs of Balliol House are £0.5m per annum, which will be saved after demolition.

Agenda Item 7

10. Botanic Gardens Museum, roof and lift.

Cabinet agreed to keep this long-standing scheme in the capital programme on 14 May 2009 at a cost of £375,000, to be funded via prudential borrowing. There are no commitments against this provision at present. This scheme is closely linked to the Southport Cultural Centre project and could be deferred until 2012/13.

11. IT strategy – Health and Social Care

This budget is intended for future I.T. requirements for Adult Social Care that are still to be determined. There is however a need to commit around £32,000 during the current financial year for the replacement of New Directions I.T. equipment with the remainder expected to be spent over the next two years.

12. Energy Efficiency Measures

Cabinet approved this £250,000 scheme on 14 May 2009. There are no commitments against this provision at present. Clearly any investment should yield savings upon revenues budgets but the extent would depend upon the work carried out and cannot at this stage be quantified in detail but a payback period of 5-7 years is likely. A detailed report is due to be prepared for Members in January.

13. Crosby Coastal Park

Cabinet agreed to keep this long-standing scheme in the capital programme on 14 May 2009 but at a reduced estimate of £200,000, to be funded via prudential borrowing. There are no commitments against this provision at present.

14. Disaster Recovery, business continuity

There are no commitments against this provision at present, which is included in the ongoing capital programme for risk management purposes.

15. Roof repairs to libraries

There are no commitments against this provision at present, which is included in the ongoing capital programme for risk management purposes.

16. Demolition Fund

There are no current commitments against this provision at present, which is included in the ongoing capital programme for risk management purposes for the demolition of dangerous structures. Demolition of surplus buildings is done to remove a revenue liability in terms of security and mothballing costs and to prevent anti-social behaviour/vandalism, which can occur.

17. Development Fund

There are no current commitments against this provision at present, which is included in the ongoing capital programme for pump-priming potential developments. Clearly the Authority will not be in the position to develop further schemes and projects (usually delivered through external funding) if this fund is not available.

THIS SET OF MINUTES IS NOT SUBJECT TO "CALL IN".

OVERVIEW AND SCRUTINY COMMITTEE (PERFORMANCE AND CORPORATE SERVICES)

Overview
& Scrutiny

MEETING HELD AT THE TOWN HALL, SOUTHPORT,
ON WEDNESDAY 9TH DECEMBER, 2009

PRESENT: Councillor D Hardy (in the Chair);
Councillors Bigley; Byrne; McGinnity;
Papworth;;Pearson, (Substitute Member for
Councillor Storey); Shaw (Substitute Member for
Councillor Howe) and Tonkiss.

ALSO PRESENT: Councillors Booth; Brodie-Browne; Lord Fearn;
Griffiths; Hands; Maher; McGuire; Parry; Porter;
Robertson and Sumner; plus 25 members of the
public.

27. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Fenton; Howe; Storey and Weavers; and Councillor S. Mainey (Substitute Member for Councillor Weavers).

28. DECLARATIONS OF INTEREST

The following declaration of interest was received:

Member	Minute No.	Interest	Action
Councillor Shaw	28 – Item 'called-in' – Southport Cultural Centre – Temporary Library Service	Prejudicial – his son is employed in the Library Service	Left the room and took no part in consideration of the item.

29. ITEM "CALLED-IN" - SOUTHPORT CULTURAL CENTRE - TEMPORARY LIBRARY SERVICE

The Committee considered (a) the report of the Legal Director; (b) the joint report of the Strategic Director of Regeneration and Environmental Services, the Finance and Information Services Director, the Leisure Director and the Head of Regeneration and Technical Services; and (c) a copy of the "call-in" form, in respect of the Southport Cultural Centre – Temporary Library Service, pursuant to Minute No. 196 of the Cabinet meeting held on 12 November 2009. The Cabinet had resolved that that Southport Central Library should be temporarily relocated to the Ainsdale, Birkdale and Churchtown Libraries during the redevelopment of the Southport Cultural Centre.

Agenda Item 8

OVERVIEW AND SCRUTINY COMMITTEE (PERFORMANCE AND CORPORATE SERVICES) - WEDNESDAY 9TH DECEMBER, 2009

The Committee also considered a letter received from 11 Southport Market Traders, 2 letters from members of the public and financial information submitted by Councillor Hands.

The Chair invited Councillors Maher, Parry and Robertson to address the Committee on the decision made by the Cabinet.

Councillors Hands, Booth and Sumner outlined the reasons for 'calling in' the item, namely:-

- There had been insufficient consultation with stakeholders and in particular the current market traders, who had overwhelmingly supported the use of part of the Market Hall as a temporary Southport Town Centre Library. Such inadequate consultation was contrary to Overview and Scrutiny Rule 16 of the Constitution;
- the decision of the Cabinet appeared not to have been taken in accordance with correct principles as specified in article 13.02(b) ("due consultation and the taking of professional advice from officers");
- failing to provide a central library in Southport Town Centre for 3 years was against the Public Interest; and
- The option of using Southport Market as a temporary library would benefit the Market Traders and the 150,000 plus annual users of Southport Library.

In addition, reference was made to a petition objecting to the non-provision of a central library in Southport for 3 years.

The Chair referred to a recent request made to the Legal Director for the Committee to receive a petition. The request had been made beyond the deadline required by the Council's Constitution and could not be considered.

With the agreement of the Committee, the Committee received representations from Ms. Jean Alexander on behalf of the petitioners.

The Members of the Committee raised a number of issues including finance, consultation with the public, alternative venues, storage of library stock, provision of a temporary IT service and timescales involved in the redevelopment. Officers representing the Leisure, Finance and Technical Services Departments responded, as did Councillor Lord Fearn, Cabinet Member – Leisure and Tourism.

RESOLVED: That the Cabinet be advised that this Committee considers:-

1. that the timetable and funding for the refurbishment of the Southport Cultural Centre should not be jeopardised in any way; and

2. that Party Groups should be invited to include financial proposals for a temporary Southport town centre library in their budgets at the appropriate time, should they wish to do so.

30. TRANSFORMATION PROGRAMME UPDATE - STRATEGIC BUDGET REVIEW - 25 NOVEMBER 2009

RESOLVED:

That this item be deferred for consideration at the next meeting of the Committee on 15 December 2009.

31. TRANSFORMATION PROGRAMME UPDATE - STRATEGIC BUDGET REVIEW - 3 DECEMBER 2009

RESOLVED:

That this item be deferred for consideration at the next meeting of the Committee on 15 December 2009.

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Agenda Item 10

REPORT TO: Cabinet

DATE: 17th December 2009

SUBJECT: Southport Cultural Centre Project
Arts & Cultural Services - Interim service proposals

WARDS AFFECTED: All wards

REPORT OF: Graham Bayliss, Leisure Services Director
Mike Fogg, Personnel Director

CONTACT OFFICER: Steve Deakin, Assistant Leisure Director 0151 934 2372
John Taylor, Head of Arts & Cultural Service, Tel: 0151 934 2374
Val Jones, Personnel Manager, 0151 934 3374

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To seek Cabinet agreement to:

1. Retain the existing Arts & Cultural Services net budget during the period of the closure of Southport Arts Centre and the Atkinson Art Gallery in order to continue to provide a full programme of arts activities throughout the Borough as identified in the body of the report.
2. Deploy the Arts & Cultural Service Staff to provide the interim service described in the report.

REASON WHY DECISION REQUIRED:

The closure of the two principal arts venues will reduce the level of certain activities currently on offer to the public. However, Botanic Gardens Museum, Crosby Civic Hall, Netherton Arts Centre and Orrell Arts Centre will remain open and officers are recommending extending their programmes as well as extending other non venue based programmes to parts of the Borough currently without a service. In order to achieve this, Members agreement to this change in service provision, to changes to the current staff structure and the consequent reformatting of the budget is required.

RECOMMENDATION(S):

That Cabinet:

1. Agree to the retention of the Arts & Cultural Services net budget, allocated to the Service in 2009-10, together with any annual budget uplifts as would have otherwise been applied, until the end of the financial year 2011-12.
2. Agree the proposals for an interim service as outlined in the body of the report.
3. Deploy the Arts & Cultural Service Staff to provide the interim service described in the report.
4. Note the intention to conduct an analysis of the work patterns of Casual workers and to take the appropriate steps relative to the closure of the Arts Centre that are consistent with any employment rights they may have accrued.
5. Note the intention to undertake a full staffing review of Arts & Cultural Services in 2011 in readiness for the new Cultural Centre becoming operational in September 2012.

Agenda Item 10

KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: Immediately following the call in period.

ALTERNATIVE OPTIONS: Cabinet can claw back all the operational revenue directly attributable to the Arts Centre/Art Gallery, including the staff costs, and run a much reduced service across the Borough.

IMPLICATIONS: The loss of staff would (a) have a dramatic, negative impact on the remaining services, which rely on Arts Centre staff for financial, personnel, operational and technical support, (b) prevent the development of new services and revenue streams being developed in the rest of the Borough and (c) limit the support for community groups with both their independent projects and access to Council services.

Budget/Policy Framework:

Financial:

There are no additional financial implications arising out of this report

	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
<u>CAPITAL EXPENDITURE</u>				
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources.				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure.	0	0	0	
Funded by:				
Sefton funded Resources.				
Partially funded through savings in salary costs.				
Funded from External Resources				
Does the External Funding have an expiry date?				
How will the service be funded post expiry?				

Legal: None

Risk Assessment: None

Asset Management: None

CONSULTATION UNDERTAKEN/VIEWS

Finance Director – FD 246 the Finance Director’s comments have been incorporated into the report.
 Personnel Director
 Trades Unions representatives

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability		✓	
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

Agenda Item 10

1. BACKGROUND

- 1.1 Members will be aware following a decision of Cabinet on 12th November 2009 to proceed with the Cultural Centre project the arts centre and art gallery will close for approximately 2½ years, whilst the new Centre is being developed, bringing a temporary end to certain services on that site.
- 1.2 On the 6th August 2009, a report was presented to Cabinet on the personnel issues arising from the potential closure of the Arts Centre and Art Gallery. Members did not accept the report and authorised the Personnel Director to commence negotiations with the trade unions and staff and minimise the potential redundancies arising out of the project. Officers from the Leisure Services and Personnel Department's have therefore looked at options for the continuation of services during the period of closure and the impact this will have on the remaining venues, services and staff.
- 1.3 The following paragraph's set out how an interim Arts Service could be delivered throughout the borough, utilising other existing Council and private and voluntary sector venues.

2. THE REMAINING VENUES

- 2.1 Botanic Gardens Museum, Crosby Civic Hall, Netherton Arts Centre and Orrell Arts Centre will not be directly affected by the closures. However none of these facilities are fully independent in terms of their staffing or operational budgets. The impact of not having access to financial, technical and operational services based at the Arts Centre would immediately result in closure and cessation of services. The staff that are located at the Arts Centre, work across the service undertaking everything from procurement and personnel management, repairs and maintenance, staging shows and events and marketing. Therefore, the retention of staff is essential if these services are to continue. However, all four venues have the capacity to extend their programmes and to accommodate some of the services lost from the other two sites. An indication of how these venues' programmes can be developed is shown below, although Members' attention is drawn to the fact that any proposals will be subject to budget availability and therefore it is unlikely that they can all be progressed: -

i) Crosby Civic Hall

- An extension of opening hours to accommodate an enhanced day time community programme.
- A programme of popular entertainment and events designed to be self-financing within the first three years of operation.
- The transfer of some of the Arts centre's standard programme including the professional music and comedy.
- The creation of display space in order to show some of the Authority's arts and artefacts' collections.
- A programme of recreational arts classes such as painting, dance and drama.
- A daytime programme for older people including activities and events.
- Youth theatre and music and performances of interest to young people.

ii) Botanic Garden Museum

- An extension of opening hours especially during term time to encourage school visits.
- The further expansion of the loan box scheme to schools. (Boxes containing a selection of items from the collection relevant to the national curriculum)
- Additional temporary exhibitions from both the Council's own collections but also from community groups and other museums.
- A base for an artist in residence
- The provision of activities for young people during holiday breaks.
- Further family workshops for those with interests in both arts and a wider cultural agenda.
- Collections management including further work on the digitisation of the records and the preparation of on line access facilities.
- An extended programme of activities organised by the 'Friends'.
- Increased repair and maintenance work to maintain the building ready for reallocation.

iii) Netherton and Orrell Arts Centres

- An increase in the number of arts related courses and classes and an extension of the service to other sites such as Formby, Hightown and Maghull, Bootle and Southport.
- A youth arts centre including a youth theatre, recorded and live music events and possible public art projects.
- A possible local 'cinema' using the digital technology removed from the arts centre and linked to workshops in film making.
- The provision of specialist activities such as ceramics production, music tuition and rehearsal, creative IT facilities and photography.
- A base for an adult version of the successful band development programme for those interested in being in a classical/jazz/swing orchestra.
- The base for the Creative Alternatives team and one of the venues for their activities and events

iv) Additional venues

- With financial assistance from the Arts Council, an audit of alternative venues has been undertaken. This includes other Council buildings such as the town halls, community and faith based venues and suitable commercial venues such as pubs and clubs. The intention is to look for opportunities to extend the service to areas currently not served and to communities who are underrepresented in the service's user statistics.

3. MAINTAINING OTHER EXISTING SERVICES AND DEVELOPING ADDITIONAL ONES.

Existing community and amateur programme

- 3.1 Virtually all the programme of amateur exhibitions and performances, have found alternative accommodation and officers have been very grateful to the management of these groups for their positive and constructive approach to this temporary loss of service. The marketing team will continue to support

Agenda Item 10

them when ever possible especially in ensuring their audiences remain with them until they return.

Tourism

- 3.2 The Section supports the Tourism Department in the delivery of a number of their major events throughout the year. This includes technical support, stewarding and the management of box office and other marketing functions. In addition, an increasing amount of arts activities are being requested in order to support economic initiatives such as the promotion of retail facilities and other community based programmes.

Festivals and events

- 3.3 The Sefton Festival of Writing, Play-Up (drama for young people), the Big Read and Big Draw events, the Brouhaha Street Festivals and a number of other events are already using more than one venue across the Borough and others will be identified and used where possible.

Education, Extended Schools and Youth Services

- 3.4 Where possible, artists and performers will work in schools in conjunction with the Extended Schools programme or directly in support of the national curriculum. The promotion of an 'entitlement' card for young people is being evaluated which will encourage active participation in after school activities and the Sefton Young Advisers are consulting young people on what services and activities they would like to see and how they can get involved

Express Sefton

- 3.5 The Express Sefton programme, started in 2008, identified hundreds of people interested in undertaking cultural activities. This will be further developed and as in 2008/9 the delivery of this programme will be offered on a commission basis.

Arts & Health

- 3.6 The Arts & Health programme has been very successful in treating people with mild to moderate depression and now represents a national model of good practice recognised by the Department of Health. This temporary change in the Section's service delivery plan creates an opportunity to extend it into other parts of the Borough.

Economic Development

- 3.7 Arts activities are being requested to encourage footfall through a number of retail facilities as well as addressing a number of social issues across the Borough. The use of community groups and the involvement of local artists address both these issues together with others.

Volunteering

- 3.8 The volunteer programme was started in 2008, this is a National Indicator and the programme will continue to provide support to the service.

Marketing.

- 3.9 The marketing of events within venues and across the Borough will still be essential if the Section is to meet its targets for visitor numbers and income generated.

As with the venues, this level of service can only be maintained if the staff is retained.

4. STAFFING MATTERS

- 4.1 For the reasons outlined above, officers are recommending that the current establishment of staff at the Arts Centre is retained, and that staff is deployed to provide the interim services as described above. Due to the change in services, there will need to be a flexible approach by the staff to the roles they will be requested to undertake. Every effort will be made to match the existing roles of staff to the interim service requirements, and, broadly speaking, there will be no fundamental changes to the duties of the employees. Where required, appropriate training and support will be provided to individuals. Current grades and contracted hours will remain unchanged, but there will be a need for changes in work location, and, in some cases, the times at which hours are worked. Discussions will be held with each member of staff about their individual situation, and discussions are also taking place with the Trade Unions, who have welcomed the proposed continued employment of staff, and have indicated their acceptance that a degree of flexibility will be needed to make the interim service workable.

- 4.2 In respect of the staffing requirements when the proposed new Cultural Centre opens, it is too soon at this stage to anticipate the exact needs. It is likely that the existing number of staff will be required, but exact roles and responsibilities cannot yet be defined, and a full review of Arts & Cultural Services will be undertaken. Consultation on this matter will take place with staff and Trade Unions, and a further report will be submitted to Members in 2011.

- 4.3 The operation of the Arts Centre is supported by up to 60 casual workers, undertaking work such as ushers, bar workers, and box office duties, as and when required. An analysis will be undertaken of the work patterns of the casual workers, and, in the event that any of them have built up employment rights, the appropriate steps will be taken in recognition of this. It is the intention to meet with the casual workers to discuss the impact of the closure on them.

5. FINANCIAL IMPLICATIONS

- 5.1 Members will be aware that within the current £1,899,250 budget for Arts and Cultural Services, provision is made to meet the costs of operating all of the services buildings, which include items such as utilities costs, cleaning and repairs and maintenance. With the closure of two of the six arts facilities, some savings might have been anticipated. However, with the proposed Interim Service staff will still need to be accommodated elsewhere and this will incur the same kinds of costs that at this time, it has not been possible to accurately determine because the location has yet to be agreed.

Agenda Item 10

The proposed Interim service includes an increase in programme at the remaining venues, principally Crosby Civic Hall, which will also increase their costs. The additional 'wear and tear' on the building, utilities and extra cleaning costs will also need to be found.

- 5.2 The continuation of the service, as far as is possible, in the north of the Borough will involve the hire of venues from the independent/commercial sector, a cost for which there is no provision within the existing budget. There will be other costs associated with this, such as the cost of transporting staff to and from them.
- 5.3 Therefore, should Members agree to the interim service recommended above, there are unlikely to be any direct savings available within the existing budget.

RECOMMENDATIONS

That Cabinet:

1. Agree to the retention of the Arts & Cultural Services net budget, as allocated to the Section in 2009-10, together with any annual budget uplifts as would have otherwise been applied, until the end of the financial year 2011-12.
2. Agree the proposals for an interim service as outlined in the body of the report.
3. Deploy the Arts & Cultural Service Staff to provide the interim service described in the report.
4. Note the intention to conduct an analysis of the work patterns of Casual workers and to take the appropriate steps relative to the closure of the Arts Centre that are consistent with any employment rights they may have accrued.
5. Note the intention to undertake a full staffing review of Arts & Cultural Services in 2011 in readiness for the new Cultural Centre becoming operational in September 2012.

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

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