

# Public Document Pack

**Sefton Council** 

MEETING: CABINET  
DATE: Thursday, 26th May, 2022  
TIME: 10.00 a.m.  
VENUE: Committee Room, Town Hall, Bootle

DECISION MAKER: **CABINET**

Councillor Ian Maher (Chair)  
Councillor Atkinson  
Councillor Cummins  
Councillor Doyle  
Councillor Fairclough  
Councillor Hardy  
Councillor Lappin  
Councillor Roscoe  
Councillor Moncur  
Councillor Veidman

COMMITTEE OFFICER: Debbie Campbell  
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an \* on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

**See overleaf for COVID Guidance and the requirements in relation to Public Attendance.**

**If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.**

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

## **COVID GUIDANCE IN RELATION TO PUBLIC ATTENDANCE**

In light of ongoing Covid-19 social distancing restrictions, there is limited capacity for members of the press and public to be present in the meeting room indicated on the front page of the agenda at any one time. We would ask parties remain in the meeting room solely for the duration of consideration of the Committee report(s) to which their interests relate.

We therefore request that if you wish to attend the Committee to please register in advance of the meeting via email to [debbie.campbell@sefton.gov.uk](mailto:debbie.campbell@sefton.gov.uk) by no later than **12:00 (noon) the day before the day of the meeting.**

Please include in your email –

- Your name;
- Your email address;
- Your Contact telephone number; and
- The details of the report in which you are interested.

In light of current social distancing requirements, access to the meeting room is limited.

# A G E N D A

Items marked with an \* involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1	<b>Apologies for Absence</b>		
2	<b>Declarations of Interest</b>  Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.  Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.  Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.		
3	<b>Minutes of the Previous Meeting</b>		(Pages 7 - 12)
	Minutes of the meeting held on 7 April 2022		
* 4	<b>Adult Social Care Fees 2022/23</b>	All Wards	(Pages 13 - 102)
	Report of the Executive Director of Adult Social Care and Health		
* 5	<b>St Teresa's Catholic Infant School - Determination of Proposal to Close</b>	Birkdale; Cambridge; Norwood	(Pages 103 - 112)
	Report of the Head of Education		

6	<b>Appointment to Outside Bodies 2022/23</b>		(Pages 113 - 118)
	Report of the Chief Legal and Democratic Officer		
	Appendix 1 and 2 of the report to follow		
* 7	<b>Bootle Canalside - Business Plan</b>	Derby; Linacre	(Pages 119 - 182)
	Report of the Executive Director - Place		
8	<b>Exclusion of Press and Public</b>		
	To comply with Regulation 5(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice has been published regarding the intention to consider the following matter(s) in private for the reasons set out below.		
	The Cabinet is recommended to pass the following resolution:		
	That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.		
* 9	<b>Provision of Council Housing at Buckley Hill Lane, Netherton - Exempt Appendix</b>	St. Oswald	(Pages 183 - 198)
	Report of the Head of Economic Growth and Housing		
10	<b>Public Session</b>		
	The Cabinet meeting will now move back into open session to consider the following agenda item:		
* 11	<b>Provision of Council Housing at Buckley Hill Lane, Netherton</b>	St. Oswald	(Pages 199 - 240)
	Report of the Head of Economic Growth and Housing		





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**THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON MONDAY 25 APRIL 2022. MINUTE NO. 126 IS NOT SUBJECT TO "CALL-IN"**

## **CABINET**

**MEETING HELD AT THE COMMITTEE ROOM, BOOTLE TOWN HALL  
ON THURSDAY 7TH APRIL, 2022**

**PRESENT:** Councillor Ian Maher (in the Chair)  
Councillors Atkinson, Cummins, Doyle, Fairclough,  
Lappin, Roscoe, Moncur and Veidman

### **123. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Hardy.

### **124. DECLARATIONS OF INTEREST**

No declarations of any disclosable pecuniary interests or personal interests were received.

### **125. MINUTES OF THE PREVIOUS MEETING**

#### **Decision Made:**

That the Minutes of the meeting held on 10 March 2022 be approved as a correct record.

### **126. NEW REALITIES 2022**

The Cabinet considered the report of the Executive Director – People seeking approval of a revised New Realities Protocol which had been co-produced with the Voluntary, Community and Faith (VCF) Sector.

A copy of the New Realities Protocol was attached to the report.

#### **Decision Made:**

That the Council be recommended to approve the revised new realities protocol for adoption.

#### **Reasons for the Decision:**

To approve a revised New Realities protocol.

#### **Alternative Options Considered and Rejected:**

The Council is not obliged to have a protocol in place but it is recommended best practice.

# Agenda Item 3

CABINET - THURSDAY 7TH APRIL, 2022

## **127. ACTIVATION OF THE EXTENSIONS TO THE COMMUNITY INFECTION PREVENTION AND CONTROL SERVICE CONTRACT**

The Cabinet considered the report of the Executive Director – People seeking approval of the activation of the extensions to the Community Infection Prevention and Control Service Contract.

### **Decision Made:**

That subject to continued satisfactory delivery of the Service against the service specification and annual work programme, the Director of Public Health, in consultation with the Cabinet Member - Health and Wellbeing, be granted delegated authority to activate the 2 x 12-month Community Infection Prevention and Control Service contract extension clauses; the first contract extension to be activated on the 1st September 2022; and the second contract extension clause to be activated on 1st September 2023.

### **Reasons for the Decisions:**

Due to the COVID-19 pandemic and the subsequent increased requirement for the Community Infection Prevention and Control Services in Sefton. The Service was reviewed in 2020 and an expanded Service Specification was developed with a corresponding increase to funding for this Service.

Additional demands on the Service have continued with both responsive work due to outbreaks and additional expert infection prevention and control advice and support across the community health and care sector to support quality and safety for those receiving care in Sefton.

The Service continues to deliver against the additional priorities identified during the Service review in 2020:

- Management and prevention of outbreaks in complex community settings, cases
- Clusters and outbreaks involving people in vulnerable groups
- Increasing skills and knowledge in community settings around prevention in order to reduce the number of community outbreaks in Sefton

The Service has continued to perform well against the agreed annual work plan, supporting community providers to improve quality, through supportive visits, advice and guidance, audit, and training.

### **Alternative Options Considered and Rejected:**

The alternative option is not to extend the current contract with the Service and move to procure a new Community Infection Prevention and Control Service with a contract start date of 1st September 2022.

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Moving to a procurement exercise has the potential to destabilise current Service delivery and to stall progress against agreed workplan objectives.

Additionally, there would be an opportunity cost associated with the officer time required for a procurement which would reduce capacity to deliver against key priorities in Sefton. This would include an impact on health protection capacity within the Sefton Council Public Health team.

## **128. WATER SELF SUPPLY SERVICES (2022 - 2025)**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services seeking approval of the continuation of water utility 'self-supply' arrangement with the support of the existing Managing Agent after a positive evaluation of the initial first full year of operation; and requesting Members to note the investment in 'mobile data loggers' as a cost-effective approach to address 'unaccounted water losses' to net financial/environmental benefit across the Council portfolio (Corporate, Schools and New Directions).

### **Decision Made:**

That:

- (1) the continuation of the wholesale contract, which is deemed to be 'rolling' (without end date); and that the contract can only be terminated should Sefton Council choose to revoke its licence or break the terms of business be noted; and
- (2) authority be granted for the Executive Director of Corporate Resources and Customer Services, in consultation with the Cabinet Member - Regulatory, Compliance and Corporate Services, to directly award the Contract for a managing agent to Waterscan, for a maximum period of 4 years comprising an initial 3 year period with an option to extend for up to 1 period of 12 months.

### **Reasons for the Decisions:**

Current arrangements expire on 30 September 2022. All options available to the Council have been assessed and the option of self-supply with a managing agent is recommended based on an assessment of the first full year of operation which highlighted:

- A substantial increase in reliable/real meter readings. This reduces the reliance on estimated readings being used for billing, keeping expenditure in line with water consumption
- A data cleanse and monthly billing tariff analysis (yielding £25K of savings/refunds) and ongoing financial benefits
- Ongoing/real time proactive support to manage high/unaccounted for (e.g. leaks) water consumption

### **Alternative Options Considered and Rejected:**

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## Option 1

Do nothing – Under self-supply, the wholesale contract would not expire under the terms of the licence agreement. Sefton would still be required to operate under the terms of the licence. Allowing the current Managing Agent contract to expire (30 September 2022) would mean Sefton Council would operate under self-supply unsupported as there is no in-house capacity to deliver this service. This would expose the Council to significant risk of (a) paying water and sewerage charges without validation and (b) breaching licence conditions which could lead to significant financial, legal and operational demands and risks. Therefore, this option was rejected.

## Option 2

Exit self-supply and return to the retail market – Existing retailers could displace all retail functions (meter readings, billing and customer service). However, under the current arrangement, Sefton have experienced benefits in improved data collection, financial savings and now has a 'voice in the market'. Returning to the retail market would mean Sefton would lose these benefits. Therefore, this option was rejected.

## Option 3

Carry out an open procurement exercise for the appointment of a managing agent – This is not an option available to Sefton currently. Only one suitably qualified managing agent operates in the market (Waterscan) as confirmed by OFWAT and the market operator MOSL.

## **129. BUSINESS RATES - COVID ADDITIONAL RELIEF FUND**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services seeking consideration of the adoption of a local discretionary business rates policy – the COVID-19 Additional Relief Fund (CARF); indicating that the policy would provide for the award of relief from business rates for one year only; that relief would be applied retrospectively to the 2021/22 Rate liability in accordance with guidance issued by the Department for Levelling Up, Housing and Communities; and that Sefton Council had been allocated £4,447,663 by Government to disburse in relief.

### **Decision Made:**

That:

- (1) the COVID-19 Additional Relief Fund Policy referred to in Appendix 1 to the report be adopted as Council Policy;
- (2) the Executive Director of Corporate Resources and Customer Services, in consultation with the Leader of the Council and Cabinet Member - Regulatory, Compliance and Corporate Services, be delegated authority to administer the scheme;

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- (3) any variance to the awards of relief set out in Section 4 of the policy document be delegated to the Executive Director of Corporate Resources and Customer Services, in consultation with the Leader of the Council and Cabinet Member - Regulatory, Compliance and Corporate Services, where the number of applications received would result in an underspend or overspend of the funds allocated; and
- (4) it be noted that the proposal was a Key Decision but it had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee Regulatory, Compliance and Corporate Services had given their consent under Rule 29 of the Access to Information Procedure Rules of the Constitution for these decisions to be treated as urgent on the basis that determination of applications must be completed within regulatory timescales.

### **Reasons for the Decisions:**

- (1) Government has allocated funds to each local authority to assist businesses that otherwise have missed out on alternative business rates reliefs allocated to aid them through the COVID-19 pandemic. Relief will be granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 that require individual billing authorities to adopt a local scheme.
- (2) It is expected that there will be several hundred applications. Delegating administration of the scheme will allow officers to make decisions in line with other business rates relief.
- (3) The business rates database does not contain information that would enable the Council to accurately predict how many businesses may apply and qualify for the additional relief. When the application window has closed and applications have been reviewed, detailed calculations of the awards can be made. However, to comply with business rates regulations referred to in (1) above decisions on awarding relief must be made no later than 30 September 2022. Delegating a decision to vary the awards will enable businesses to receive the awards earlier.

### **Alternative Options Considered and Rejected:**

None.

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# Agenda Item 4

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	26 May 2022
<b>Subject:</b>	Adult Social Care Fees 2022/23		
<b>Report of:</b>	Executive Director of Adult Social Care and Health	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Adult Social Care		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

The purpose of this report is to enable Cabinet to determine the fees payable for Sefton Adult Social Care Service sectors during the financial year period 2022/23 and for Direct Payment Recipients who buy their services directly from a CQC registered agency and to outline the future strategic direction for services in Sefton, linked to wider national work, linked to national policy issued by the Department of Health and Social Care.

## Recommendation(s):

Cabinet is recommended to note the contents of the report and having given full consideration to the options outlined in the body of the report and the associated Appendices, including the responses to the consultation and the Equality Impact Assessments, authorise the implementation of the following fee increases which are higher than those originally consulted upon, having taken into account a range of factors including the response from providers, national context, risks raised in relation to additional costs, regional averages, any other information available at the time of the consultation and the availability of financial resources;

### (1) Residential & Nursing Care

	<b>Residential Care</b>	<b>EMI Residential</b>	<b>Nursing</b>	<b>EMI Nursing</b>
<b>2022/23 Fee</b>	<b>£561.10</b>	<b>£634.85</b>	<b>£576.98</b>	<b>£641.26</b>
<i>2021/22 Fee</i>	£523.51	£592.32	£538.33	£598.30
Weekly Increase	£37.59	£42.53	£38.65	£42.96
% Increase	7.18%	7.18%	7.18%	7.18%
<i>Originally Proposed 2022/23 Fee</i>	£558.11	£631.47	£573.91	£637.85
<i>Originally Proposed Weekly Increase</i>	£34.60	£39.15	£35.58	£39.55

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<i>Originally Proposed % Increase</i>	6.61%	6.61%	6.61%	6.61%
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(2) Note that for Residential & Nursing care services any existing placements which are costed based on an individual Service User assessment are increased based on the same percentage uplifts detailed in the table above;

### (3) Domiciliary Care

<b>Duration / Service Element*</b>	<b>2022/23 Rate</b>	<i>Originally Proposed 2022/23 Rate</i>	<i>2021/22 Rate</i>
1 Hour	<b>£17.89</b>	£17.82	£16.68
45 Minutes	<b>£13.42</b>	£13.37	£12.51
30 Minutes	<b>£8.95</b>	£8.91	£8.34
Sleep-in (8 Hour Night)	<b>£87.40</b>	£87.40	£81.97
Waking Night (8 Hour Night)	<b>£143.12</b>	£142.56	£133.44

\*Any call duration outside of this framework will have been commissioned by request with Service Users and uplift will apply on a case-by-case basis.

It is worth noting that domiciliary care contracts will be reviewed in the Autumn in line with the tendering cycle.

(4) **Direct Payment recipients who access an Agency** - that the above Domiciliary Care hourly rate is also implemented and that rates for night services are increased to the following;

<b>Duration / Service Element</b>	<b>2022/23 Rate</b>	<i>Originally Proposed 2022/23 Rate</i>	<i>2021/22 Rates</i>
1 Hour (Domiciliary Care & Community Support)	<b>£17.89</b>	£17.82	£16.68
Sleep-in (10 Hour Night)	<b>£109.25</b>	£109.25	£102.47
Waking Night (10 Hour Night)	<b>£178.90</b>	£178.20	£166.80

(5) **Direct Payment recipients who utilise a Personal Assistant** - that the following rates are held apart from an increase to the Sleep-in rate;

<b>Duration / Service Element</b>	<b>2022/23</b>	<i>2021/22 Rates</i>
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1 Hour	<b>£13.00</b>	£13.00
Sleep-in (10 Hour Night)	<b>£109.25</b>	£102.47
Waking Night (10 Hour Night)	<b>£130.00</b>	£130.00

## (6) Community Support Services

<b>Duration / Service Element</b>	<b>2022/23 Rate</b>	<i>Originally Proposed 2022/23 Rate</i>	<i>2021/22 Rates</i>
1 Hour	£17.89	£17.82	£16.68

## (7) Supported Living

<b>Duration / Service Element</b>	<b>2022/23 Rate</b>	<i>Originally Proposed 2022/23 rate</i>	<i>2021/22 Rates</i>
Hourly Rate	<b>£16.76</b>	£16.72	£15.56
Sleep-in (9 Hours)	<b>£98.33</b>	£98.33	£92.22
Sleep-in (10 Hours)	<b>£109.25</b>	£109.25	£102.47
Waking Night (9 Hours)	<b>£150.84</b>	£150.48	£140.04
Waking Night (10 Hours)	<b>£167.60</b>	£167.20	£155.60

(8) **Extra Care Housing Services** - that the rate is increased in line with the proposed increase to the Supported Living hourly rate to;

<b>Duration / Service Element</b>	<b>2022/23 Rate</b>	<i>Originally Proposed 2022/23 Rate</i>	<i>2021/22 Rate</i>
Hourly Rate	<b>£16.76</b>	£16.72	£15.56

(9) **Individual Service Funds** are increased based on the proposed 7.71% increase awarded to Supported Living and Extra Care services;

<b>Duration / Service Element</b>	<b>2022/23 Pilot Project Rates</b>	<i>Originally Proposed 2022/23 rate</i>	<i>Current Pilot Project Rates</i>
1 Hour	<b>£17.58</b>	£17.54	£16.32

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Sleep-in (9 Hour Night)	<b>£98.33</b>	£98.33	£92.22
Waking Night (9 Hour Night)	<b>£158.22</b>	£157.86	£146.88

- (10) That the method applied to the calculation and payment of sleep-in services are maintained under the current Domiciliary Care, Direct Payment and Individual Service Fund contractual and policy guidelines and are in line with pilot project arrangements which is based on the expectation that Providers / Direct Payment recipients pay staff the hourly rate calculated within these rates.
- (11) Cabinet is also asked to note that a specific workstream will be progressed in the 2022/23 financial year regarding the implementation of gross payment arrangements for Residential and Nursing care homes. Further reports will be submitted to Cabinet on the outcome of this report and any associated recommendations for decision, at a future date.

## Reasons for the Recommendation(s):

To enable the Council to set the fees payable for services, during the financial year period 2022/23.

## Alternative Options Considered and Rejected: (including any Risk Implications)

1. **Not awarding increases** – this option was rejected in relation to all service areas as there is a requirement to ensure that fee levels are increased to consider the outcome of consultation in relation to the increase to Provider's costs.
2. **Awarding fee increase originally proposed in the consultations** – this option was considered but rejected following the analysis of the consultation responses and wider impacts, principally current Consumer Price Index (CPI) estimates.
3. **Awarding higher increases to all the service areas which are recommended for decision** – this option was considered but was rejected as it was determined that the proposed increases were correct within the current context, but as referenced in this report, there is a requirement to continue to review fee rates (including through ongoing cost of care exercises) in line with national requirements within the ***People at the Heart of Care: adult social care reform*** policy paper and to inform the delivery of the future vision for Adult Social Care services in Sefton.
4. **Amending the proposals for increases to Sleep-in rates** – this option was considered and rejected as it was felt that the current rate calculations should be maintained under current contractual and Direct Payment arrangements. However, this is based on the continued expectation that Providers and Direct Payment Recipients are paying Staff / Personal Assistants the hourly rate calculated within these rates and if this is evidenced that this is not the case, Council Officers are authorised to review current contractual, Direct Payment and pilot project arrangements and adjust payments if appropriate.

5. **Awarding an increase (aside from an increase to the Sleep-in rate) to Direct Payment Recipients' who utilise a Personal Assistant** – this option was considered but rejected as the current rate is considered sufficient, following the Council conducting benchmarking work on rates in place in other regional Local Authorities.
6. **Not seeking to progress workstream on implementation of Gross payments for Residential and Nursing homes** – this option was considered and rejected as there is a need to ensure that this workstream is progressed, particularly to ensure that the Council continues to meet Care Act obligations, and as part of ongoing work to support the sector.

## What will it cost and how will it be financed?

### (A) Revenue Costs

There are additional estimated gross revenue costs of £7.012m associated with the recommendation relating to the proposed uplift for Adult Social Care fees for 2022/23.

The costs associated with the proposed 2022/23 uplift for all service areas will be met from £5.500m within identified and existing permanent provision allocated within the Council's approved revenue budget for 2022/23 and £1.512m from estimated additional income associated with the increase in Adult Social Care fees. This includes the annual uplift in contributions from clients as well as additional contributions from health bodies to offset a proportion of the costs of the uplift for jointly funded care packages. If additional income is insufficient, then the residual budget pressure will be met from the existing Adult Social Care budget.

### (B) Capital Costs

None

## Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> The impact of the uplift will be met from the Adult Social Care budget set for 2022/23.
<b>Legal Implications:</b> Care Act 2014 Care and Support Statutory Guidance The Care and Support and After-Care (Choice of Accommodation Regulations) 2014
<b>Equality Implications:</b> The Equality Implications have been identified and mitigated and are reflected in the

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final Equality Impact Assessments.

## Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

It is not anticipated that there will be any positive or negative impacts relating to the recommendations proposed in this report.

## Contribution to the Council's Core Purpose:

Protect the most vulnerable:

By setting fees at the proposed level, Providers will receive additional funding to deliver services, thus ensuring that these services continue to operate and provide valuable care and support services.

Facilitate confident and resilient communities:

Commission, broker and provide core services:

By setting fees, the Council will maintain a contractual relationship with Providers and will ensure the services continue to be delivered to vulnerable people

Place – leadership and influencer:

Drivers of change and reform:

The drivers are:

- Integration- national context and local linked to the recent White Paper
- Market Position Statement for Sefton
- Adult Social Care Vision and Strategy

Facilitate sustainable economic prosperity:

In setting fees at the level proposed the Council has taken account of the need for the sustainability of the local care and support markets.

Greater income for social investment:

Cleaner Greener

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6777/22) and the Chief Legal and Democratic Officer (LD4977/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

A robust consultation was conducted with Care Home Providers. The consultation process commenced on 28th February 2022, with a letter to all care home providers and calculations detailing how the proposals had been formulated.

The consultation had an end date of 10<sup>th</sup> April 2022.

In addition, the following meetings were held where the fee proposals were discussed with Providers and responses made both in relation to the specific questions asked and the mitigation regarding market risks re increasing costs which is reflected in the final proposed rates for decision;

1. 7<sup>th</sup> March 2022 - consultation meeting with community Providers
2. 8th March 2022 – consultation meeting with care home Providers
3. 6<sup>th</sup> April 2022 – consultation meeting with care home Providers

Dedicated sections of the Sefton Council website were also created to publish documents relating to the consultations such as an Interim Equality Impact Assessment (EIA), copies of presentations made at the above meetings and Question and Answer documents which outlined responses to specific questions raised by Providers regarding the proposed fees and the consultation process.

The consultation was overseen by an internal Project Group consisting of representatives from strategic commissioning, legal, finance, communications and adult social care which considered risks identified throughout the consultation and recommended mitigation of such risks as reflected in the proposed rates.

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

<b>Contact Officer:</b>	Carol Cater
Telephone Number:	Tel: 0151 934 3614
Email Address:	Carol.Cater@sefton.gov.uk

## Appendices:

The following appendices are attached to this report which reflect the detail of the robust consultation approach and the potential risks for mitigation linked to the Equality Impact

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Assessments which were monitored and updated throughout the life of the consultation period :

- Appendix A – 2022/23 Fee Increase consultation letters
- Appendix B – Provider Responses to the consultations
- Appendix C – Question and Answer documents
- Appendix D – Care Home Equality Impact Assessment
- Appendix E – Domiciliary Care & Direct Payment Rates Equality Impact Assessment
- Appendix F – Supported Living Equality Impact Assessment
- Appendix G – Extra Care Housing Equality Impact Assessment
- Appendix H – Community Support Equality Impact Assessment

## **Background Papers:**

There are no background papers available for inspection.

### **1. Introduction/Background**

- 1.1. The Council is obliged each year to set and publish the fees it expects to pay when commissioning services and placing people in residential or nursing care settings (Care Homes). In setting these fees the process the Council follows and the matters it seeks to take into account reflect relevant legal requirements, statutory and other guidance and case law/legal precedents.
- 1.2. In setting such fee rates the Council to have due regard to factors such as the actual costs” of providing that care, other local factors; and the Best Value requirements set out in Local Government Act 1999.
- 1.3. In addition, the consultation process underpinning recommendations in this report has outlined Care Act 2014 statutory guidance published in March 2016.
- 1.4. As a result, the process the Council follows and the matters it seeks to take into account reflect the above relevant legal requirements, statutory and other guidance and case law/legal precedents.

### **2. The Sefton Regulated Provider Market**

- 2.1. In summary the Sefton Provider market consists of the following;
  - 131 CQC registered Adults Residential & Nursing care homes – of which 95 of these typically support Older People
  - 20 contracted Domiciliary Care Providers currently delivering care packages (including some Community Support packages)
  - 24 Supported Living / Community Support Providers
  - 2 Extra Care housing schemes / Providers
  - 4 Individual Service Fund (ISF) Providers



2.2. In recent years, and at the present time, the main changes to the markets have encompassed;

- Increased number of bed vacancies within Residential & Nursing care homes
- Increased demand for Domiciliary Care services – linked to strategic aims on supporting people to remain in their own home for longer and reduced demand for some types of care home placements
- Increased demand for Community Support packages
- Increased demand for Supported Living placements – including those which encompass a lower level of support, and also a growing impetus for the implementation Technology Enabled Care Solutions within services to support independence.
- Recognition of need to expand the Extra Care sector

### **3. The Development of the Proposed 2022/23 Fee Rates and the Consultation Approach**

3.1. In line with established processes the proposed fee rate outlined to Providers in the consultation letters of 28th February 2022 (Appendix A) was formulated by taking into account increases to the National Living Wage (NLW) and the Consumer Price Index (CPI) and adjusting these to take into account the percentages of staffing costs and other costs that equate to typical total costs for Providers.

3.2. With respect to the increase to National Insurance thresholds an additional percentage uplift was applied to the fee increase calculations to reflect the additional impact on pay bills.

3.3. With respect to the Residential and Nursing care proposals, in previous years the fee increase calculations were formulated based on a 65/35 percentage 'split' between Staff and other costs, however, following the initial feedback from the cost of care consultant who has analysed Provider cost data it was amended to a 70/30 split to reflect that staff costs are typically higher than 65% of total costs. Whilst this would result in a calculation being made of 70% of the 6.62% National Living Wage increase (resulting in a 4.63% staffing element increase), this has been further amended to take into account the increase to National Insurance thresholds. It was calculated that this will add an estimated 0.47% to pay bills and as a result a total increase of 7.09% was applied to the 70% staffing element.

3.4. The consultation approach reinforced to Providers that all feedback was welcomed; and that the Council was particularly interested in gaining feedback on;

1. Whether the proposed fees would cover the cost of meeting assessed care needs / delivering services for the period from 1st April 2022 to 31st March 2023; and
2. If they did not agree with the proposed rates, then they were requested to outline why and provide any supporting information that they felt may be pertinent

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- 3.5. Consultation meetings were held remotely with Providers during the consultation period which enabled providers to raise questions to Senior Officers within the Council and also provided a further opportunity to state their general views about the market and the challenges faced.
- 3.6. As part of these meetings the Council re-iterated the fee proposals, highlighted that Providers could submit responses in any formats they wished, and also outlined to Providers the Council's future intentions in terms of commissioning activity, changes in demand, further integrated working with Health and wider nationally driven work relating to market sustainability including cost of care exercises.
- 3.7. Dedicated sections of the Sefton Council website were set up to publish information on the consultations. This included Questions and Answer documents to ensure that Providers are able to ask questions and receive a response which were anonymised and shared with all Providers. The website sections also included the notes and presentations from the consultation meetings held with Providers, together with the initial Equality Impact Assessments.
- 3.8. The consultation was overseen by an internal Project Group consisting of strategic commissioning, finance, legal, communications and adult social care.

## **4. Responses to the Consultation and Analysis of the Consultation Responses**

- 4.1. Attendance on the remote meetings very positive with providers encouraged to attend. The level of written response to the consultations were as follows;

<b>Sector</b>	<b>Number of Responses</b>
Residential & Nursing	5
Domiciliary Care	0
Supported Living / Community Support	2
Extra Care	0
Individual Service Funds	0

- 4.2. All of the responses to the separate consultations have been analysed and are included in Appendix B of this report. Where appropriate, information identifying the individual Provider submitting the response has been removed, in order to anonymise responses.

## **5. Proposed Amended Fee Proposals Following the Consultation**

- 5.1. The responses to the consultation exercise and the views of Providers conveyed during the consultation meetings have been helpful in understanding the Sefton marketplace, and have been taken into account in the preparation of this report.
- 5.2. Council Officers have reviewed the responses, conducted research into rates that may be awarded by comparator Local Authorities in the region and also reviewed national information such as with respect to Consumer Price Index (CPI) rates, in

order to review the initially proposed fee increases, as the proposed rates were formulated based on an element of costs being subject to CPI increases – as outlined in the consultation letters included as Appendix A of this report.

- 5.3. As a result of this work, it is proposed that rates are increased above those originally proposed in order to reflect that at the time that those rates were recently calculated the CPI rate was 5.5%, however subsequent to the commencement of the consultations the Office for Budget Responsibility (OBR) has stated that for the year the average CPI rate is estimated to be 7.4%.
- 5.4. Council Officers will also be progressing further work on Cost of Care linked to Market Sustainability Planning as directed by the Department of Health and Social Care.
- 5.5. A workstream has been established to consider the implications relating to the implementation of gross payments to care homes. This work will be progressed during 2022/23.
- 5.6. The following tables, summarise the changes that have been applied from the original fee proposal calculations;

### Residential & Nursing Care

	<i>Previous Percentage Split Calculations</i>		Percentage Split Calculations Used for Initial 2022/23 Fee Proposals		Revised Percentage Split Calculations Used for Final 2022/23 Fee Proposals Following Consultation	
	<i>Staffing</i>	<i>Other Costs</i>	Staffing	Other Costs	Staffing	Other Costs
<b>% of Total Costs</b>	65	35	70	30	70	30
<b>% Increase</b>	7.09%	5.5%	7.09%	5.5%	7.09%	7.4%
<b>Narrative</b>	<i>To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)</i>	<i>CPI Rate – February 2022</i>	To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)	CPI Rate – February 2022	To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)	CPI Rate Projected Annual Average

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<b>Deflated % Increase</b>	4.61%	1.93%	4.96%	1.65%	4.96%	2.22%
<b>Overall Proposed Fee Increase</b>	6.54%		6.61%		<b>7.18%</b>	

## Domiciliary Care

Type of Cost	2021/22 Rate	Initially Proposed 2022/23 Rate	% Increase Applied	Revised Proposed Rate Following Consultation	% Increase Applied
Carer Basic Rate	£9.15	£9.75	6.62%	£9.75	6.62%
Travel Time	£0.92	£0.98	10% of £9.75	£0.98	10% of £9.75
Annual Leave	£1.07	£1.15	6.62%	£1.15	6.62%
Training	£0.17	£0.18	6.62%	£0.18	6.62%
Sickness	£0.19	£0.20	6.62%	£0.20	6.62%
National Insurance	£0.44	£0.55	25.00%	£0.55	25.00%
Pension	£0.17	£0.19	6.62%	£0.19	6.62%
Mileage	£0.39	£0.41	6.62%	£0.42	7.40%
Other costs	£3.69	£3.89	5.50% CPI	£3.96	7.40%
Profit	£0.49	£0.52	3% on £17.30	£0.52	3% on £17.37
Hourly cost	£16.68	<b>£17.82</b>	<b>6.83%</b>	<b>£17.89</b>	<b>7.25%</b>

## Supported Living

Type of Cost	2021/22 Rate	Initially Proposed 2022/23 Rate	% Increase Applied	Revised Proposed Rate Following Consultation	% Increase Applied
Carer Basic Rate	£9.03	£9.63	6.62%	£9.63	6.62%
Management	£0.63	£0.67	6.62%	£0.67	6.62%
Administration	£0.46	£0.49	6.62%	£0.49	6.62%
Annual Leave	£1.25	£1.33	6.62%	£1.33	6.62%
Training	£0.29	£0.31	6.62%	£0.31	6.62%
Sickness	£0.23	£0.24	6.62%	£0.24	6.62%
NI	£0.52	£0.70	34.62%	£0.70	34.62%
Pension	£0.35	£0.37	6.62%	£0.37	6.62%
Other costs	£2.36	£2.49	5.50%	£2.53	7.40%

Profit	£0.45	£0.49	3.00%	£0.49	3.00%
<b>Hourly Fee</b>	£15.56	£16.72	7.46%	<b>£16.76</b>	<b>7.71%</b>

5.7. As the above tables show, the changes to the CPI rates result in fee increases above those originally proposed, however as outlined during the consultation it is recognised that the figures in some of the above tables are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs.

## 6. Financial Implications

6.1. The gross costs of implementing the proposed fee increases for 2022/23 are estimated to be £7.012m. Additional provision for the net costs of the fee increases of £5.500m was included in the Council's approved budget for 2022/23. It is estimated that the additional income associated with the increase in fees will be sufficient to cover the balance of £1.512m. This income includes the annual uplift in contributions from clients as well as additional contributions from health bodies to offset a proportion of the costs of the uplift for jointly funded care packages. If additional income is insufficient, then the residual budget pressure will be met from the existing Adult Social Care budget.

6.2. The proposed increases to Adult Social Care fees will be funded as follows;

Funding Description	£
2022/23 approved Budget Provision for net costs of fee increases	£5,500,000
Estimated additional income associated with the approved fee increases	£1,512,000
<b>Total</b>	<b>£7,012,000</b>

6.3. The additional budgetary impact broken down by the service sectors is as follows;

Sector	£
Residential & Nursing	£3,479,000
Domiciliary Care / Extra Care / Direct Payments	£1,442,000
Community Support	£81,000
Supported Living	£1,880,000
Individual Service Funds	£130,000
<b>Total</b>	<b>£7,012,000</b>

## 7. Equality Impact Assessments and Risk Management Overview

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- 7.1. The initial proposals for Adult Social Care fees for 2022/23 have been subject to consultation and engagement with Providers as part of the process of assessing the potential equality impact of the proposals.
  - 7.2. The initial Equality Impact Assessments produced at the commencement of the consultations have been reviewed as part of the consultation processes and considers and reflects feedback from Providers. As a result, the initial proposals to providers have been adjusted to reflect the views taken from consultation.
  - 7.3. The revised fee proposal recommendations do not involve any change to the criteria for services, as assessed via the Council's eligibility criteria nor do they involve any changes to the capacity of services.
  - 7.4. The impact of the COVID-19 pandemic and cost of living factors have placed additional responsibilities and costs on both Providers and Local Authorities. The recommendations of this report have been informed by this context and by the affordability of the recommendations to the Council. The report outlines the options considered and seeks the approval of the recommendations for the final proposals as outlined in the body of the report from the Cabinet Member - Adult Social Care.
  - 7.5. There may be an impact relating to viability and that in implementing this fee proposal some Providers may face difficulties in adapting their services to the new fee levels if there is a gap in funding. This will be monitored closely through commissioning meetings and engagement with providers.
  - 7.6. In addition, if the recommendations were to be implemented then this could result in fee structures for clients changing. For example, for the care home sector, Providers may seek to obtain the difference between the existing fee amount and the fee they wish to charge from clients via increasing their contribution. This may place some clients at an economic disadvantage. To mitigate risk of these issues impacting on Families and Residents, officers will review and monitor closely through commissioning meetings and engagement with providers and risks managed accordingly.
  - 7.7. Full Equality Impact Assessments are included as Appendices D-H of this report, which outline that should the above issues materialise then which protected characteristics may be affected. The Equality Impact Assessments outline proposed actions to be implemented to monitor the impact of the proposed recommendations.
- 8. Future Workstreams – Fair Cost of Care, Charging Reform and Gross Payments.**
- 8.1. In March 2022, the Department of Health, and Social Care (DHSC) published guidance relating to Council's completing a cost of care exercise. This requirement has commenced, and this will be monitored by the DHSC and linked to the proposed implementation of a national Care Cap. A further report will be developed in relation to this work for Cabinet in the Autumn.

- 8.2. In 2019 (pre-pandemic) the Council approved a piece of work which would remove the administrative burden to Care Home providers of collecting financial charges for residents living in their homes. This is a process usually carried out by Council's within their charging function and there has been Ombudsman's judgements supporting this approach. It is proposed to resume this work which will reduce the bureaucratic burden on care homes and further enable the Council to implement the DHSC Charging Reform guidance. This work will be progressed during 2022/23 and further reports will be submitted to Cabinet on the outcome of this work and any recommendations for subsequent consideration and decision.

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## Appendix A

### 2022/23 Fee Increase consultation letters

#### Residential & Nursing Care Homes

Date: 28<sup>th</sup> February 2022

Dear Care Home Provider

#### **RE: Sefton Council Annual Consultation on Care Home Fees**

I am writing in order to commence formal Sefton Council consultation with you on our proposed fees for the 2022/23 financial year.

Firstly, it is important to outline how the proposals and approach outlined in this letter link to the current cost of care exercise that has been commissioned from ARCC-HR Ltd, which as you are aware is independent of Sefton Council and is being conducted as a joint exercise with Health.

The cost of care exercise is currently ongoing and, given feedback from the provider market and ARCC-HR Ltd, we opted to extend the engagement period as opposed to truncating the timescales for this engagement. As such, we are conscious the full findings will not be available by the end of the current financial year and anticipate the results of the exercise will be made available soon after the decision-making timescales outlined below, for subsequent consideration by Sefton Council and Health.

Please also note that our Health colleagues are currently working with other Clinical Commissioning Groups regarding their approach to fee increases, however they will also be working with the Council on this work during the course of the consultation timeline outlined below.

In the meantime, we do however recognise cost increases in the market are apparent as of now, and therefore, rather than delaying our formal consultation, we are following the typical fee setting and consultation processes in parallel with the engagement and analysis work gathered from the cost of care exercise.

With respect to the proposed Sefton Council 2022/23 fee rates specifically, it is firstly important to highlight that whilst the fee increase process will follow a similar approach to previous years, there has been a change to the formula used to calculate proposed increases in part recognition of market pressures.

This change has firstly been made following initial strategic feedback from the market as part of the cost of care exercise, regarding the percentage 'split' between Staff and other costs, and to also reflect the additional cost pressure of the increase to National Insurance. Previously, this split was calculated based on a 65/35 split. However, following the initial feedback it has been amended to a 70/30 split to reflect that staff costs are typically higher than 65% of total costs.

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Whilst this would result in a calculation being made of 70% of the 6.62% National Living Wage increase (resulting in a 4.63% staffing element increase), this has been further amended to take into account the increase to National Insurance thresholds. It has been calculated that this will add an estimated 0.47% to pay bills and as a result a total increase of 7.09% has been applied to the 70% staffing element, resulting in a 4.96% increase to this element of the proposed fee increase (i.e. 70% of 7.09% = 4.96%).

This results in an increase to the percentage fee increases that would have been applied if using the previous 65/35 percentage split, as outlined in the following table;

Table detailing proposed 2022/23 care home fee increase calculations

	<b>Previous Percentage Split Calculations</b>		<b>New Percentage Split Calculations Used for 2022/23 Fee Proposals</b>	
	<b>Staffing</b>	<b>Other Costs</b>	<b>Staffing</b>	<b>Other Costs</b>
<b>% of Total Costs</b>	65	35	70	30
<b>% Increase</b>	7.09%	5.5%	7.09%	5.5%
<b>Narrative</b>	<i>To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)</i>	<i>CPI Rate – February 2022</i>	<i>To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)</i>	<i>CPI Rate – February 2022</i>
<b>Deflated % Increase</b>	4.61%	1.93%	4.96%	1.65%
<b>Overall Proposed Fee Increase</b>	6.54%		<b>6.61%</b>	

As a result of the above, the Council are proposing a **6.61%** increase to fees resulting in the following rates (with effect from 1<sup>st</sup> April 2022);

Table detailing proposed 2022/23 care home fee increases

	<b>Residential Care</b>	<b>EMI Residential</b>	<b>Nursing</b>	<b>EMI Nursing</b>
<b>2022/23 Proposed Fee</b>	<b>£558.11</b>	<b>£631.47</b>	<b>£573.91</b>	<b>£637.85</b>

<i>2021/22 Fee</i>	£523.51	£592.32	£538.33	£598.30
<i>Weekly Increase</i>	£34.60	£39.15	£35.58	£39.55
<i>% Increase</i>	6.61%	6.61%	6.61%	6.61%

Please note the following;

- Nursing figures do not include Funded Nursing Care
- Any existing placements which are costed based on an individual Service User assessment will be increased based on the same percentage uplifts detailed in the table above. However, please note that the Council are exploring the implementation of new mechanisms to calculate and formulate fee levels for individually assessed Service Users
- Fees will be applicable from 1<sup>st</sup> April 2022

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

1. Whether the level of proposed fees set out will cover the cost of meeting assessed care needs within an efficient residential/nursing home for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023; and
2. If you do not agree with the above rates and in particular, if you consider that they will not cover the cost of meeting assessed care needs within an efficient residential/nursing home, please outline why and provide any supporting information that you feel may be pertinent.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Tuesday 8<sup>th</sup> March 2022 – 1pm to 2pm**. The link to this meeting is;

[Click here to join the meeting](#)

The following plan/timeline outlines the next steps of the Consultation and decision-making process;

<b>Ref</b>	<b>Action</b>	<b>Target Date</b>
<b>1</b>	Confirm Proposals and Process to All Providers ( <i>Letter to all providers to confirm proposals and consultation process</i> )	28 <sup>th</sup> February 2022
<b>2</b>	Period for Consultation Responses from Providers ( <i>Providers to supply comments, information and evidence on the matters consulted on</i> )	28 <sup>th</sup> February 2022 – 10 <sup>th</sup> April 2022
<b>3</b>	Consultation event with Providers	8 <sup>th</sup> March 2022

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4	Assessment and Analysis of Responses ( <i>Assessment and analysis of comments, information and evidence supplied by Providers together with other information available to the Authority</i> )	11 <sup>th</sup> April 2022 – 22 <sup>nd</sup> April 2022
5	Work on proposals and Cabinet report (including draft Cabinet report internal review and FD/LD stages, and production of supporting documentation).	23 <sup>rd</sup> April 2022 – 8 <sup>th</sup> May 2022
6	Deadline for Cabinet report to be submitted	9 <sup>th</sup> May 2022
7	Letter to all Providers ( <i>signposting them to Cabinet report - published the week in advance of the meeting</i> )	19 <sup>th</sup> May 2022
8	Cabinet Decision	26 <sup>th</sup> May 2022
9	2022/23 Fees Published ( <i>Following expiry of “call-in” period for Decision</i> )	3 <sup>rd</sup> June 2022

The Consultation period will run until **Midnight on Sunday 10<sup>th</sup> April 2022** so please ensure that all responses are returned by this time in order for them to be taken account of in our decision-making process. Please advise me if you have any issues with this proposed timeline.

Please return your comments by e-mail to [commissioningandcontracts@sefton.gov.uk](mailto:commissioningandcontracts@sefton.gov.uk)

Once the consultation period has closed, we will give full consideration to any responses received before submitting a report to Cabinet for decision.

I would like to take the opportunity to thank you for taking the time to consider this matter and to respond to this consultation.

Yours Faithfully



Deborah Butcher  
**Executive Director of Adult Social Care and Health**

## Domiciliary Care

Date: 28<sup>th</sup> February 2022

### RE: Consultation on Sefton Domiciliary Care Rates (PDPS Lead & SPOT Contracts)

I am writing in order to commence formal consultation with you on our proposed rates for the 2022/23 financial year.

The Council are proposing that the fee increase process will follow the established approach in terms of taking into account National Living Wage (NLW) and Consumer Price Index (CPI) rates / increases, but will also take into account the impact of changes to National Insurance.

The Council are proposing a **6.83%** increase to fees resulting in the following rates being implemented (with effect from 1st April 2022);

Table detailing proposed 2022/23 Domiciliary Care rates

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rate
1 Hour	<b>£17.82</b>	£16.68
45 Minutes	<b>£13.37</b>	£12.51
30 Minutes	<b>£8.91</b>	£8.34
15 Minutes	<b>£4.46</b>	£4.17
Sleep-in (8 Hour Night)	<b>£87.40</b>	£81.97
Waking Night (8 Hour Night)	<b>£142.56</b>	£133.44

In the spirit of openness and transparency the table below details how the **£17.82** has been arrived at. Please also note;

- Fees would be applicable from 1<sup>st</sup> April 2022
- The figures in the table below are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs
- The Sleep-in rate above is based on the new National Living Wage of £9.50 plus 15% on costs (I.E. £9.50 + 15% x 8 hours)
- The above 'daytime' rates would also be applicable to Direct Payment recipients who utilise a CQC registered Agency.

Table detailing calculations for 2022/23 domiciliary care rates

Type of Cost	2021/22	2022/23 Proposed Rate	% Increase Applied	Notes
Carer Basic Rate	£9.15	£9.75	6.62%	

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Travel Time	£0.92	£0.98	10% of £9.75	
Annual Leave	£1.07	£1.15	6.62%	
Training	£0.17	£0.18	6.62%	
Sickness	£0.19	£0.20	6.62%	
National Insurance	£0.44	£0.55	25.00%	28.7 average hours per week = salary of £14,591 (£9.75 x 28.7 / 7 x 365) - £14,591 - £9,100 NI threshold = £5,491. NI at 15.05% = £826. Therefore, 5.66% of basic pay
Pension	£0.17	£0.19	6.62%	
Mileage	£0.39	£0.41	6.62%	
Other costs	£3.69	£3.89	5.50% CPI	
Profit	£0.49	£0.52	3% on £17.30	
Hourly cost	£16.68	£17.82	6.83%	

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

- Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Domiciliary Care for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
- If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Monday 7<sup>th</sup> March 2022 – 3pm to 4:30pm**. The link to this meeting is;

[Click here to join the meeting](#)

The following plan/timeline outlines the next steps of the Consultation and decision-making process;

Ref	Action	Target Date
1	Confirm Proposals and Process to All Providers ( <i>Letter to all providers to confirm proposals and consultation process</i> )	28 <sup>th</sup> February 2022

<b>2</b>	Period for Consultation Responses from Providers <i>(Providers to supply comments, information and evidence on the matters consulted on)</i>	28 <sup>th</sup> February 2022 – 10 <sup>th</sup> April 2022
<b>3</b>	Consultation event with Community Providers (Domiciliary Care, Supported Living, Community Support, Extra Care, Individual Service Funds)	7 <sup>th</sup> March 2022
<b>4</b>	Assessment and Analysis of Responses <i>(Assessment and analysis of comments, information and evidence supplied by Providers together with other information available to the Authority)</i>	11 <sup>th</sup> April 2022 – 22 <sup>nd</sup> April 2022
<b>5</b>	Work on proposals and Cabinet report (including draft Cabinet report internal review and FD/LD stages, and production of supporting documentation).	23 <sup>rd</sup> April 2022 – 8 <sup>th</sup> May 2022
<b>6</b>	Deadline for Cabinet report to be submitted	9 <sup>th</sup> May 2022
<b>7</b>	Letter to all Providers <i>(signposting them to Cabinet report - published the week in advance of the meeting)</i>	19 <sup>th</sup> May 2022
<b>8</b>	Cabinet Decision	26 <sup>th</sup> May 2022
<b>9</b>	2022/23 Fees Published <i>(Following expiry of “call-in” period for Decision)</i>	3 <sup>rd</sup> June 2022

The Consultation period will run until **Midnight on Sunday 10<sup>th</sup> April 2022** so please ensure that all responses are returned by this time in order for them to be taken account of in our decision-making process. Please advise me if you have any issues with this proposed timeline.

Please return your comments by e-mail to [commissioningandcontracts@sefton.gov.uk](mailto:commissioningandcontracts@sefton.gov.uk)

Once the consultation period has closed, we will give full consideration to any responses received before submitting a report to Cabinet for decision.

I would like to take the opportunity to thank you for taking the time to consider this matter and to respond to this consultation.

Yours Faithfully



Deborah Butcher  
**Executive Director of Adult Social Care and Health**

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## Supported Living

Date: 28<sup>th</sup> February 2022

### Re: Consultation on Sefton Supported Living Rates - 2022/23

I am writing in order to commence formal consultation with you on our proposed rates for the 2022/23 financial year.

The Council are proposing that the fee increase process will follow the established approach in terms of taking into account National Living Wage (NLW) and Consumer Price Index (CPI) rates / increases, but will also take into account the impact of changes to National Insurance.

The Council are proposing a **7.46%** increase to fees resulting in the following rates being implemented (with effect from 1st April 2022);

Table detailing proposed 2022/23 Supported Living Rates

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rates
Hourly Rate	<b>£16.72</b>	£15.56
Sleep-in (9 Hours)	<b>£98.33</b>	£92.22
Sleep-in (10 Hours)	<b>£109.25</b>	£102.47
Waking Night (9 Hours)	<b>£150.48</b>	£140.04
Waking Night (10 Hours)	<b>£167.20</b>	£155.60

In the spirit of openness and transparency the table below details how the **£16.72** has been arrived at. Please also note;

- Fees would be applicable from 1<sup>st</sup> April 2022
- The Sleep-in rate above is based on the new National Living Wage of £9.50 plus 15% on costs (I.E. for a 9 hour sleep-in the rate is calculated based on £9.50 + 15% x 9 hours)
- The figures in the table below are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs

Table detailing calculations for 2022/23 Supported Living Rates

Type of Cost	2021/22	2022/23 Proposed Rate	Rationale	Notes
Carer Basic Rate	£9.03	<b>£9.63</b>	<b>6.62%</b>	
Management	£0.63	<b>£0.67</b>	<b>6.62%</b>	



Administration	£0.46	<b>£0.49</b>	<b>6.62%</b>	
Annual Leave	£1.25	<b>£1.33</b>	<b>6.62%</b>	
Training	£0.29	<b>£0.31</b>	<b>6.62%</b>	
Sickness	£0.23	<b>£0.24</b>	<b>6.62%</b>	
NI	£0.52	<b>£0.70</b>	<b>34.62%</b>	Average hours per week of 35. Annual salary is therefore £17,575 (£9.63 x 35 / 7 x 365) £17,575 - £9,100 = £8,475. NI at 15.05% = £1,275. Therefore, 7.26% of basic pay
Pension	£0.35	<b>£0.37</b>	<b>6.62%</b>	
Other costs	£2.36	<b>£2.49</b>	<b>5.50%</b>	5.50% CPI
Profit	£0.45	<b>£0.49</b>	<b>3.00%</b>	3% on £16.23
<b>Hourly Fee</b>	<b>£15.56</b>	<b>£16.72</b>		7.46% Increase

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

5. Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Supported Living services for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
6. If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Monday 7<sup>th</sup> March 2022 – 3pm to 4:30pm**. The link to this meeting is;

[Click here to join the meeting](#)

The following plan/timeline outlines the next steps of the Consultation and decision-making process;

Ref	Action	Target Date
<b>1</b>	Confirm Proposals and Process to All Providers ( <i>Letter to all providers to confirm proposals and consultation</i> )	28 <sup>th</sup> February

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	<i>process)</i>	2022
<b>2</b>	Period for Consultation Responses from Providers <i>(Providers to supply comments, information and evidence on the matters consulted on)</i>	28 <sup>th</sup> February 2022 – 10 <sup>th</sup> April 2022
<b>3</b>	Consultation event with Community Providers <i>(Domiciliary Care, Supported Living, Community Support, Extra Care, Individual Service Funds)</i>	7 <sup>th</sup> March 2022
<b>4</b>	Assessment and Analysis of Responses <i>(Assessment and analysis of comments, information and evidence supplied by Providers together with other information available to the Authority)</i>	11 <sup>th</sup> April 2022 – 22 <sup>nd</sup> April 2022
<b>5</b>	Work on proposals and Cabinet report (including draft Cabinet report internal review and FD/LD stages, and production of supporting documentation).	23 <sup>rd</sup> April 2022 – 8 <sup>th</sup> May 2022
<b>6</b>	Deadline for Cabinet report to be submitted	9 <sup>th</sup> May 2022
<b>7</b>	Letter to all Providers <i>(signposting them to Cabinet report - published the week in advance of the meeting)</i>	19 <sup>th</sup> May 2022
<b>8</b>	Cabinet Decision	26 <sup>th</sup> May 2022
<b>9</b>	2022/23 Fees Published <i>(Following expiry of “call-in” period for Decision)</i>	3 <sup>rd</sup> June 2022

The Consultation period will run until **Midnight on Sunday 10<sup>th</sup> April 2022** so please ensure that all responses are returned by this time in order for them to be taken account of in our decision-making process. Please advise me if you have any issues with this proposed timeline.

Please return your comments by e-mail to [commissioningandcontracts@sefton.gov.uk](mailto:commissioningandcontracts@sefton.gov.uk)

Once the consultation period has closed, we will give full consideration to any responses received before submitting a report to Cabinet for decision.

I would like to take the opportunity to thank you for taking the time to consider this matter and to respond to this consultation.

Yours faithfully,



Deborah Butcher  
**Executive Director of Adult Social Care and Health**

## Extra Care

Date: 28<sup>th</sup> February 2022

### **Re: Consultation on Sefton Extra Care Rates - 2022/23**

I am writing in order to commence formal consultation with you on our proposed rates for the 2022/23 financial year.

The Council are proposing that the fee increase process will follow the established approach in terms of taking into account National Living Wage (NLW) and Consumer Price Index (CPI) rates / increases, but will also take into account the impact of changes to National Insurance.

The Council are proposing a **7.46%** increase to fees resulting in the following rates being implemented (with effect from 1st April 2022);

**Table detailing proposed 2022/23 Extra Care Rates**

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rates
Hourly Rate	<b>£16.72</b>	£15.56

In the spirit of openness and transparency the table below details how the **£16.72** has been arrived at. Please also note;

- Fees would be applicable from 1<sup>st</sup> April 2022
- The figures in the table below are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs

**Table detailing calculations for 2022/23 Extra Care Rates**

Type of Cost	2021/22	2022/23 Proposed Rate	% Increase Applied	Notes
Carer Basic Rate	£9.03	<b>£9.63</b>	<b>6.62%</b>	
Management	£0.63	<b>£0.67</b>	<b>6.62%</b>	
Administration	£0.46	<b>£0.49</b>	<b>6.62%</b>	
Annual Leave	£1.25	<b>£1.33</b>	<b>6.62%</b>	
Training	£0.29	<b>£0.31</b>	<b>6.62%</b>	
Sickness	£0.23	<b>£0.24</b>	<b>6.62%</b>	
National Insurance	£0.52	<b>£0.70</b>	<b>34.62%</b>	Average hours per week of 35. Annual salary is

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Ref	Action	Target Date
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				therefore £17,575 ( $£9.63 \times 35 / 7 \times 365$ ) £17,575 - £9,100 = £8,475. NI at 15.05% = £1,275. Therefore, 7.26% of basic pay
Pension	£0.35	<b>£0.37</b>	<b>6.62%</b>	
Other costs	£2.36	<b>£2.49</b>	<b>5.50%</b>	CPI Rate
Profit	£0.45	<b>£0.49</b>	<b>3.00%</b>	3% on £16.23
<b>Hourly Cost</b>	<b>£15.56</b>	<b>£16.72</b>		7.46% Increase

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

- Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Extra Care services for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
- If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Monday 7<sup>th</sup> March 2022 – 3pm to 4:30pm**. The link to this meeting is;

[Click here to join the meeting](#)

The following plan/timeline outlines the next steps of the Consultation and decision-making process;

<b>1</b>	Confirm Proposals and Process to All Providers ( <i>Letter to all providers to confirm proposals and consultation process</i> )	28 <sup>th</sup> February 2022
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The Consultation period will run until **Midnight on Sunday 10<sup>th</sup> April 2022** so please ensure that all responses are returned by this time in order for them to be taken account of in our decision-making process. Please advise me if you have any issues with this proposed timeline.

Please return your comments by e-mail to [commissioningandcontracts@sefton.gov.uk](mailto:commissioningandcontracts@sefton.gov.uk)

Once the consultation period has closed, we will give full consideration to any responses received before submitting a report to Cabinet for decision.

I would like to take the opportunity to thank you for taking the time to consider this matter and to respond to this consultation.

Yours faithfully,



Deborah Butcher  
**Executive Director of Adult Social Care and Health**

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## Appendix B

### Provider Responses to the Consultations

#### Care Home Provider Responses

15<sup>th</sup> March 2022

Dear Ms Butcher,

**RE: Sefton Council Annual Consultation on Care Home Fees**

I am writing to provide feedback as requested in your 28 February 2022 communication.

Although it appears that the proposed rate increase of 6.61% is significantly higher than increases in previous years, it must be borne in mind that Sefton rates and increases have been low when national comparisons are made. It is appreciated that Sefton are attempting to close the gap but this does not address the huge increase in running costs prevailing now in care provision.

We do not believe that the proposed fees for 2022/2023 will adequately cover the cost of meeting assessed care needs for the following reasons:

Staffing Costs

- It is widely recognised that social care staff are inadequately remunerated for the work that they perform. In light of this and in order to retain current staff we applied a large increase to staff wages in December – all our staff received between 8% and 10% wage increases.
- NI is to increase from April 2022 by a further 1.25%.
- We are experiencing high levels of staff sickness and moderate turnover and are struggling to recruit experienced carers. Recruitment and induction costs have increased significantly as we try to make vacancies more attractive.
- Agency costs are currently running at unprecedented levels to provide cover for staff vacancies and sickness (Covid related) which is over and above the staff wage cost.

Other costs

- Energy costs have more than doubled and are set to increase further
- It is recognised nationally that living costs have risen sharply and businesses are likewise impacted by such dramatic price rises.
- Our insurance costs over 2 years have increased by 40% and will undoubtedly increase further at renewal in July of this year.

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## Covid costs

- Whilst the COVID pandemic would appear to be drawing to an end across the country as far as the day-to-day life of the general UK population is concerned, that is not the case in the care home sector. Operational impacts with increased running cost implications are still being felt and will no doubt continue for the foreseeable future.

Whilst your breakdown does account for both staffing and other costs, we believe that the increased rates applied fall far short of the actual price increases that we are seeing now. A single figure percentage increase will undoubtedly fall far short of enabling our business to adequately cover the costs of providing the level of care required.

We concur with the points raised by our colleagues at the Consultation webinar on the 8<sup>th</sup> March and are in full agreement with all of the rationale expressed in support of a greater increase which you have agreed to present to the Board. In particular, receiving the increase in July 2022 will present us with grave cash flow concerns between April and the monies actually being received.

We thank Sefton Council for their support and for hearing our concerns but we also recognise that to continue to provide high level quality care for the elderly and to continue to provide this service for Sefton Council, we have a duty to be candid and open and therefore we need to emphasise that if the current fee increases proposed by Sefton Council are not further increased, this will have a detrimental impact on our business.

Yours sincerely,

Thank you for your time at the meeting yesterday. I would just like to send you a few points for consideration please although some were discussed at the time.

The current calculation for uplifts does not take into account the rate of increase for insurance and utilities - CPI at c5% doesn't cover the 200%+ increase we have seen in insurance and the likely 100% increase in utilities. Food costs have also significantly risen with our last contract prices being increased by 7%.

The CPI increase is historic and not prospective. This means the calculation is always behind. I understand that something has to be used as a guide and it would be difficult to guess the future inflation. However it does not match with the wage increase being a prospective calculation.

The timing of the implementation of the new fees causes additional admin because all the contributions are amended when the pension increases go through which means we have to go through every resident and adjust their billing for this change. Then when the gross rates change we have to repeat the same exercise. Not only is this time consuming but it is confusing for those receiving the bills, particularly when they are elderly.

The other issue the timing causes is that it restricts cash flow - our wages and other costs have already increased and been paid for before we receive any uplifted remuneration from Sefton which increases our financial risk.

The frequent contribution changes throughout the year are also extremely time consuming and essentially a non-value adding activity to our home. When fees are adjusted, there is likely several months worth of invoices already raised needing to be issued at the new rate. This potentially means that the resident is required to pay



a backlog of fees. A lot of people don't necessarily realise this and have not kept the funds aside to be able to do this. We also experience difficulty with those residents who have been discharged during the period as they may have already finalised the estate value and not have the funds available.

Attached is an example of funding contributions changing frequently for just one resident and the communication from Sefton being that we are expected to keep raising invoices but not receive any payment for several months. If this were the case for more residents in the home we would soon run out of cash.

I understand that the issues I have mentioned are not easily solved and that there are reasons as to why it has to work like this. However I would like to make some suggestions as to how Sefton could assist the homes without necessarily inflating the care fees.

- Pay fees as gross - this will relieve a huge administrative burden and de-risk our operations. Ideally 'gross' includes top-up collection as this should always be in place and agreed at admission. I believe it would also reduce a lot of the queries Sefton receives from both homes and families as all communication is coming from one source and there are no timing delays.

- Assisting in some way with procurement. By negotiating contracts for the majority of homes in Sefton we should be able to secure some bulk discounts - similar to how the interactive tables were offered. Ideally being able to link with NHS contracts as part of the wider health & social care team. However just facilitating one-off larger purchases is great.

- Insurance - the underwriting market is shrinking for care home insurance so the few options available have now increased significantly in price. If Sefton could look into different options for the homes or maybe create a signposting document to share best practice around reducing insurance risk? If we can demonstrate to insurers that the local authority plays an active part in reducing risk and ensuring we have the required documentation, this is likely to reduce premiums.

- Partner with local companies/entertainers to create a council-led enrichment programme for all the residents. As our surplus margins are being squeezed and there are staff shortages, the first thing which suffers is usually the activities and 'add-ons' at the home (basic care needs have to come first). Having a council-led programme will enhance the services in Sefton. It could potentially come out of a separate budget if thought of as a community scheme rather than a social care scheme?

The points above are no way intended to be negative towards the council, just a factual representation of what we are encountering. We do feel Sefton are a very supportive council and the facilitation you provide through engagement meetings is very helpful.

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Dear Sirs

Over the past 24 months we have seen unprecedented increases in our costs, and I am now writing to you concerning the proposed increases in fees for our financial year from 1 April 2022.

As you are well aware the [REDACTED] is a charity, and during the majority of the last few years, the income from fees for the residents at [REDACTED] Road has not covered the expenditure, thus, the charity has made up the shortfall. The level of support has increased substantially during the current financial year (April 2021 - March 2022) and is not sustainable in the longer term. With the care being 24/7 and the added restrictions of the pandemic, our staff costs, which, in 2019-20, accounted for 76% of our running costs are calculated to be 80% in 2022-23. The need to pay staff a wage that is seen to be acceptable, in order to retain and recruit staff, has become a top priority for Care Homes if they wish to continue.

This year has also seen an increase in Insurance costs from £1,862 to £11,855, this alone adds £16.50 per bed per week, and, additionally, CPI inflation to January 2022 has been 5%

As we have a long term contract for the supply of gas and electricity until March 2023, we have seen no increase in those costs to date (they represented 3.5% of our costs in 2020-21).

Our Care home has 12 beds, one of which is set aside for respite care and uptake on that bed has been around 30% over the past year, the low level of occupancy being mainly due to the pandemic and we would normally expect it to be nearer 60% occupancy.

Taking the number of beds as 11.6 our break-even bed revenue, required, per week for the year from 1 April 2022 will be £1,022 (£146 per day) and we would normally be looking for this as a minimum payment from Monday 4 April 2022, however, we understand that this time scale is very short, and so, will be implementing the increase from Monday 6 June 2022. The figure of £1,022 allows for no profit for [REDACTED]

Finally I would wish to say that we would like a better relationship, in future, with the Councils and CCGs who pay the fees. During this very difficult past 12 months, we have had operations who have totally ignored our request for an increase last March, those who have not implemented the increase until up to 8 months into the year (albeit backdated), one operative who stopped paying for 6 months and another who decided to pay quarterly, in arrears instead of monthly, all of which had a significant effect on our ability to continue care and meet our commitments.

I hope that you are able to give this matter your urgent attention and that, as we move forward, we can count on a better dialogue.

[REDACTED]

In response to your resent email , no the level of proposed fees set out does not in my opinion , cover the cost of meeting assessed care needs within an efficient residential/nursing home for the period from 1st April 2022 to 31st March 2023.

If you were to look at the Lang and Buisson report submitted several years ago by the Sefton association , you will

see how far out you are on your calculations even now ;

These are the areas I feel need to be factored in or factored in better

1)The major factors effecting care homes are staffing costs , and I would say they were higher than that suggested . I believe they are higher than that nationally . You also have to remember that we are failing to attract staff at these rates , the rates

paid are generally minimum wage or quite near or near to for care staff as that's all we can afford to pay , homes are short staffed so these figures you have may be artificially low , we should at least be on an equal footing to healthcare rates . Are we not meant to be " integrating " this would really help having a level playing field ? My point is here that these figures you have are inadequate and unsustainably low .

2) The calculation on "efficient" care homes , again the national figures on average occupancy I believe to be quite affected by covid , I would like to know what they are in Sefton . It may take time to build back up the numbers, it could be 12 months , obviously there are other factors in play , but confidence in the market needs building while this happens both by funded and private payers whom it is quite commonly accepted subsidise council placements , some homes will be making no profits and or losses and buildings and standards will decline if funding is also inadequate . If nobody is running at 93 percent occupancy this surely should be recalculated into the fee rate .

3) I don't think the energy and insurance bills have been factored in sufficiently EVEN BEFORE the events triggered by Russia - sensible energy costs and food costs have to be factored . This is a huge amount on our overheads .

I would say roughly

At a minimum your calculations are out by around a minimum of £43 , I realise Your stuck between a rock and a hard place . You don't have the money to fund it properly and we must try and get every pound we can , it's quite humiliating for us and I would like to think you understand the market deserves and needs the funding that is commonly sought ,and not what is offered .

I feel the fee review is outdated given what's going on globally and needs to be urgently reviewed to reflect more accurate costs to sustain good care services that our residents of Sefton need and deserve .

---

**Re: Uplift for Residential Care services provided by [REDACTED] entities – 1<sup>st</sup> April 2022**

[REDACTED] is committed to the ongoing provision of high quality, sustainable services to the residents of the Merseyside region. We wrote to you in January 2022 setting out how we require an increase in fees of 7.1%.

Since then, as you will be aware, there has been a very sudden and substantial increase in energy costs. As you will appreciate, ensuring that the people we support in Registered care Homes are warm, and have access to hot water at all times, is an essential element in the service we provide. All gas and electric costs in registered care homes are met from the total weekly fees, in this case paid by your LA.

To meet these additional costs, we are writing to inform you that we need an extra £50 per person per week, for the financial year from 1<sup>st</sup> April 2022 until 31<sup>st</sup> March 2023.

We are separating this sum out from other inflationary costs, and we hope very much that this will be a one-off. We are working hard to reduce additional cost to a minimum, and if energy costs go up by less than £50 per week per person, we will reimburse you accordingly.

We genuinely value the relationship we have with Sefton Metropolitan Borough Council and we know our services are efficient and represent excellent value for money. Our teams have worked hard during the COVID-19 pandemic to keep the people we support safe and well.

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These additional costs are beyond our control. We will seek savings where we can, but we need your support to ensure we can continue to deliver services.

As mentioned in our previous letter, we are undertaking a comprehensive commercial review of all our Registered Care Home services to ensure that all our homes are financially viable and sustainable in the long term. We are now having to factor in energy costs into this commercial review.

If you wish to discuss these matters, may I suggest that a telephone/video call be agreed as a matter of urgency.

I look forward to hearing from you.

Yours sincerely

## Supported Living Provider Responses

Dear Commissioners

Further to discussions with you around the proposed fee uplift I am writing on behalf of [REDACTED] to request that this uplift is made available to us with immediate effect. This request is made in light of the fact that we need to comply with the new National Minimum Wage from the beginning of April and so to only receive the uplift in July would have a not insignificant impact on the charity's cashflow, which we obviously wish to avoid for reasons of sustainability moving forward. It will also enable us to provide more accurate, and real time information, to our board of trustees. Please contact me if you have any questions with regard to this email.

Thanks for the opportunity to comment on the proposed Sefton Supported Living Rates for 2022/23.

The key question which must be answered by both providers and yourselves as commissioners is 'Does £16.72 allow us to recruit and retain enough staff of the calibre required to provide good support and care to those assessed as needing it in Sefton?'

The answer, which I think we would agree on, is 'NO'. Vacancies in social care are at record highs - this is reported in and from many sources including the Care Quality Commission, ADASS, the King's Fund and Skills for Care. The Sefton model assumes, despite being a Labour controlled council, providers pay the legal minimum to staff, and that in doing that we will attract high calibre, committed and skilled staff? In a critically difficult labour market that will not allow us to recruit and keep the calibre of staff we need. It means we will recruit poorer staff than we want, and that the quality of support will be compromised, or we will go cap in hands to charitable trusts to ask them to fund the quality of support the local authority won't.

[REDACTED] is a not for profit organisation. We pay staff £10.00 per hour because we need to do so to have enough staff of the calibre we believe the people we support should be entitled to. So we fund-raise and use our reserves to pay for that when our commissioners won't. We believe the hourly rate needs to be a minimum of £17.36 per hour to provide sustainable support.

In answer to your first question ‘whether the level of proposed fees set out in the proposals and tables ... will cover the cost of delivering Supported Living services – our response is an absolute and unequivocal NO. And I hope you think our answer would be NO. If, as I hear suggestion of, support was taken in house my best guess would be that costs would increase by a minimum of £3 per hour if there was a genuine comparison of ‘like for like’. In house provision is always more expensive than the not for profit sector, and usually of poorer quality.

In response to the second question please find attached our model for the rate needed. We can provide evidence of these figures if so required.

We recognise the enormous pressures local authorities are under. But if you simply answer the question ‘How do we balance our budget?’ then you end up with poor support provided cheaply. If you answer the question ‘What do we need to pay to ensure good but ‘value for

money’ support for people in Sefton then the rate needs to move up significantly from where it is.

We are rated as an ‘Outstanding’ provider by the Care Quality Commission and want everyone we support in Sefton to receive ‘Outstanding’ support.

Sefton BC Standard Rates / Costs	2022 - 23		
<b>Expenditure</b>			
<b>Total Hours per week</b>	300		
<u>Team Leader</u>			
Direct Support Hours	25		
Indirect Support Hours	15		
TL Hourly Rate	11.76		
Salary	24,527		
Pension	736		
Employers NI	2,391		
	27,654		
<u>Support Worker</u>			
SW Rate	10.00		
Hours	275		
Salary	143,385		
Pension	4579		
Employers NI	17,172		
	165,137		
No of Sleep-ins	0		
Sleep-in Cost	0		
<b>Basic Salary Cost</b>	192,790		

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<b>On Costs</b>				
Holidays	12.64 %	21,230		
Sickness	2.68%	4,503		
Training Time	2.30%	3,860		
Team Meetings and Spvn	1.88%	3,148		
	19.50 %	32,742		
Agency Costs		2,968		
On Call		1,928		
<b>Total Salary Costs</b>		230,429		
<b>Expenses</b>				
Training courses		4,032		
Telephones/Mobiles		450		
Mileage		450		
Office Costs		0		
		4,932		
<b>Total Direct Cost</b>		235,361		
<b>Management Charge</b>		28,243		
<b>Re-development Fund</b>		7,908		
<b>Total Cost</b>		271,512		
Hourly Rate		£17.36		
<b>Key Stats</b>				
Weeks in Year	52.14			£
Team Leader Hourly Rate		£11.76	300 hr TL	24,527
Support Worker		£10.00		20,856
Pension TLs	3.00%			
Pension SWs	2.60%			
National Insurance	9.75%	includes an additional 1.25%		
Holidays (incl Time and a Half Days)	12.64 %	Assume 20 holidays plus 9		

		bank holidays days at time and a half (standard year)		
Working Days in Year	261			
Sickness (days)	2.68%	7	working days per year	
Training Time	2.30%	8.0	days per year of 6 hrs	
Team meetings/supervision	1.88%	0.75	hours per week, 3 hours per month	
Support Worker Full-time Hrs	40			
Sleep-in Rate				
On Call	1.00%	of Basic Salary Costs (assume inc. NI/Pension on-costs)		
Staff Expense	£0.00	per outreach hour		
Expenses for person supported	£0	per week		
Management Charge	12.00%			
Training courses	1.75%			
Phones	450	£150 per team		
Mileage	450	£150 per team		
Agency	1.50%	of staff costs		

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## Appendix C

### Question & Answer Documents

#### Residential & Nursing

No.	Question and Answer
1.	<p><b>Q.</b> The insurance premiums have risen significantly over the CPI rate. Has this been factored in and can you please show us the calculations that are over the CPI rate?</p> <p><b>A.</b> The fee increases are based on a 70/30 split, with the 30% 'other costs' element being subject to a 5.5% uplift based on the February 2022 CPI Rate.</p> <p>As part of the consultation Providers are encouraged to provide any supporting information on cost pressures, such as that of increased insurance premiums</p>
2.	<p><b>Q.</b> Does the Council understand that increased costs are a big issue for providers?</p> <p><b>A.</b> Yes, we do understand and appreciate the issue of increased costs for providers, however, the Council has a limited available budget, so when considering market costs, it is within the context of what is affordable. We appreciate that this is challenging and that it is both a local and national issue. Sefton, along with other Councils in similar positions have lobbied to ADASS, who in turn are sharing concerns with Central Government.</p> <p>Providers can reflect these issues in their consultation responses in relation to the current proposals and we will reflect your feedback in the Cabinet report. Please send evidence to us at <a href="mailto:commissioningandcontracts@sefton.gov.uk">commissioningandcontracts@sefton.gov.uk</a></p> <p>The Council has allocated funds from national grants (such as the Workforce Recruitment and Retention Fund) to Providers, but we are conscious that these are time limited, so we are also looking at wider initiatives it can implement to support Providers with recruitment and retention.</p>
3.	<p><b>Q.</b> The proposed fees are associated with elderly and EMI. Do these apply to LD residential providers?</p> <p><b>A.</b> Any final agreed percentage uplift would be applied to all types of Sefton care home placements.</p>

# Agenda Item 4

<p>4.</p>	<p><b>Q.</b> We asked for the calculations to be provided to us in advance of the consultation.</p> <p><b>A.</b> The proposed fee calculations were detailed in the consultation letter dated the 28<sup>th</sup> of February 2022 and shared as part of the presentation sent to providers before the consultation meeting held on the 8<sup>th</sup> of March 2022.</p> <p>These calculations are separate to the Cost of Care exercise, which is still ongoing.</p> <p>The fee proposals have not been devised as part of any final outcomes from the cost of care exercise and have not been formulated by ARCC and any associated model they have produced.</p> <p>However, as outlined in the consultation letter, they have been devised in line with previous years, albeit with the change to the 70/30 staffing / other costs split, which in previous years has been a 65/35 split. This change was made following initial feedback from the cost of care exercise.</p>
<p>5.</p>	<p><b>Q.</b> What is Sefton doing about the collection of 3<sup>rd</sup> party contribution and pension funds?</p> <p><b>A.</b> The 3<sup>rd</sup> party contribution is still under consideration, and we will be looking to commence work on this during the current year.</p>
<p>6.</p>	<p><b>Q.</b> The payment timescales are un-realistic. Can payment take place in April, rather than June?</p> <p><b>A.</b> We will need to speak to our Executive Director of Corporate Resources about this, but we will need to consider the governance requirements for decision-making.</p>
<p>7.</p>	<p><b>Q.</b> How much profit are care homes meant to make based on your proposals?</p> <p><b>A.</b> The RedQuadrant model included 13% of the rate would be for corporate overheads, profit and expected return on capital – but it is acknowledged that Providers have different business models, and the new cost of care exercise will encompass these factors</p>
<p>8.</p>	<p><b>Q.</b> Have national models been considered as they have a larger profitability and property rate than Sefton are proposing?</p> <p><b>A.</b> These proposals and figures are not based on the ARCC Cost of Care exercise. That is separate and is still on-going.</p>

## Domiciliary Care & Community Support

No.	Question and Answer
1.	<p><b>Q.</b> Can the presentation be shared after the consultation meeting?</p> <p><b>A.</b> Yes, the presentation was shared in advance of the meeting and can be published on the dedicated section for fee consultation on the Sefton website.</p>
2.	<p><b>Q.</b> In terms of Community Support / outreach, what element of calculation do you put in for travel time/costs for staff?</p> <p><b>A.</b> The Community Support rate is currently aligned to the Domiciliary Care rate and the travel time is based on 10% of the staff hourly rate. This equates to 6 minutes.</p>
3.	<p><b>Q.</b> So, in your modelling you have assumed that the journey time between calls is a 6-minute journey?</p> <p><b>A.</b> Yes, we have looked at the average based on where the packages of care are geographically delivered and the mileage between calls.</p>
4.	<p><b>Q.</b> Has there been consideration, for the Community Support rate, that the journeys may be longer for the specialist care that takes place over larger geographical areas?</p> <p><b>A.</b> The rate is currently aligned to the Domiciliary Care rate, however as part of feedback on the proposals Providers may wish to include any information on differences to travel time for Community Support.</p>
5.	<p><b>Q.</b> Will the uplift be backdated?</p> <p><b>A.</b> Yes, the fees will be backdated to the 1<sup>st</sup> April 2022 and once the fee rate is ratified by Cabinet it will be automatically implemented in our finance system.</p>
6.	<p><b>Q.</b> What about Direct Payment hours?</p> <p><b>A.</b> This will be for the Direct Payment Agency rate (i.e., where recipient is using a CQC registered Provider). The increase implemented would be in line with the agreed Domiciliary Care rate.</p>

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7.	<p><b>Q.</b> Is the proposed 3% figure for net profit or gross profit?</p> <p><b>A.</b> There is no distinction outlined in models such as that of the UKHCA, however the 3% is added to the calculations which include all staffing and other / running the business costs.</p>																																																				
8.	<p><b>Q.</b> The 3% margin will be squeezed because of an increase in energy and mileage costs and businesses cannot provide care for 0% profit. Can we see the breakdown of this calculation please?</p> <p><b>A.</b> The 3% profit level was calculated in the previous Market Oversight exercise conducted by RedQuadrant and is the profit margin calculated by the UKHCA at that time and also in their recent October 2021 report.</p>																																																				
9.	<p><b>Q.</b> The costs for training and recruitment have increased dramatically in the last year. Can you please share the rationale for the 'other costs'?</p> <p><b>A.</b> The 'other costs' are based on the previous cost of care exercise carried out by RedQuadrant. The following table provides further information;</p> <table border="1" data-bbox="276 947 1469 1966"> <thead> <tr> <th data-bbox="276 947 671 1294">Element</th> <th data-bbox="671 947 970 1294">RedQuadrant Rate was £13.83 (2017/18) - of which £3.04 was attributed to 'Other Costs' (also sometimes referred to as "Running the business")</th> <th data-bbox="970 947 1171 1294">% of the £3.04</th> <th data-bbox="1171 947 1469 1294">Using these figures the breakdown of the £3.89 'Other Costs' within proposed 2022/23 fee rate would be</th> </tr> </thead> <tbody> <tr> <td data-bbox="276 1294 671 1339">Direct Supervisor Costs</td> <td data-bbox="671 1294 970 1339">£0.72</td> <td data-bbox="970 1294 1171 1339">0.237851662</td> <td data-bbox="1171 1294 1469 1339">£0.93</td> </tr> <tr> <td data-bbox="276 1339 671 1384">Uniform Costs</td> <td data-bbox="671 1339 970 1384">£0.06</td> <td data-bbox="970 1339 1171 1384">0.020460358</td> <td data-bbox="1171 1339 1469 1384">£0.08</td> </tr> <tr> <td data-bbox="276 1384 671 1429">Training</td> <td data-bbox="671 1384 970 1429">£0.09</td> <td data-bbox="970 1384 1171 1429">0.030690537</td> <td data-bbox="1171 1384 1469 1429">£0.12</td> </tr> <tr> <td data-bbox="276 1429 671 1507">Registration Fees (including DBS checks)</td> <td data-bbox="671 1429 970 1507">£0.02</td> <td data-bbox="970 1429 1171 1507">0.00511509</td> <td data-bbox="1171 1429 1469 1507">£0.02</td> </tr> <tr> <td data-bbox="276 1507 671 1552">Recruitment</td> <td data-bbox="671 1507 970 1552">£0.09</td> <td data-bbox="970 1507 1171 1552">0.028132992</td> <td data-bbox="1171 1507 1469 1552">£0.11</td> </tr> <tr> <td data-bbox="276 1552 671 1630">IT and Communications (e.g. mobile phone)</td> <td data-bbox="671 1552 970 1630">£0.16</td> <td data-bbox="970 1552 1171 1630">0.051150895</td> <td data-bbox="1171 1552 1469 1630">£0.20</td> </tr> <tr> <td data-bbox="276 1630 671 1675">Administration</td> <td data-bbox="671 1630 970 1675">£0.75</td> <td data-bbox="970 1630 1171 1675">0.248081841</td> <td data-bbox="1171 1630 1469 1675">£0.97</td> </tr> <tr> <td data-bbox="276 1675 671 1753">Roster Management Tool/Electronic Monitoring</td> <td data-bbox="671 1675 970 1753">£0.04</td> <td data-bbox="970 1675 1171 1753">0.012787724</td> <td data-bbox="1171 1675 1469 1753">£0.05</td> </tr> <tr> <td data-bbox="276 1753 671 1843">Central/Regional Management</td> <td data-bbox="671 1753 970 1843">£0.40</td> <td data-bbox="970 1753 1171 1843">0.132992327</td> <td data-bbox="1171 1753 1469 1843">£0.52</td> </tr> <tr> <td data-bbox="276 1843 671 1888">Support services</td> <td data-bbox="671 1843 970 1888">£0.47</td> <td data-bbox="970 1843 1171 1888">0.153452685</td> <td data-bbox="1171 1843 1469 1888">£0.60</td> </tr> <tr> <td data-bbox="276 1888 671 1933">Premises</td> <td data-bbox="671 1888 970 1933">£0.24</td> <td data-bbox="970 1888 1171 1933">0.079283887</td> <td data-bbox="1171 1888 1469 1933">£0.31</td> </tr> <tr> <td data-bbox="276 1933 671 1966"></td> <td data-bbox="671 1933 970 1966">£3.04</td> <td data-bbox="970 1933 1171 1966">1</td> <td data-bbox="1171 1933 1469 1966">£3.89</td> </tr> </tbody> </table>	Element	RedQuadrant Rate was £13.83 (2017/18) - of which £3.04 was attributed to 'Other Costs' (also sometimes referred to as "Running the business")	% of the £3.04	Using these figures the breakdown of the £3.89 'Other Costs' within proposed 2022/23 fee rate would be	Direct Supervisor Costs	£0.72	0.237851662	£0.93	Uniform Costs	£0.06	0.020460358	£0.08	Training	£0.09	0.030690537	£0.12	Registration Fees (including DBS checks)	£0.02	0.00511509	£0.02	Recruitment	£0.09	0.028132992	£0.11	IT and Communications (e.g. mobile phone)	£0.16	0.051150895	£0.20	Administration	£0.75	0.248081841	£0.97	Roster Management Tool/Electronic Monitoring	£0.04	0.012787724	£0.05	Central/Regional Management	£0.40	0.132992327	£0.52	Support services	£0.47	0.153452685	£0.60	Premises	£0.24	0.079283887	£0.31		£3.04	1	£3.89
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	<p>However, please note that;</p> <ul style="list-style-type: none"> <li>• Since the RedQuadrant exercise, other costs have been increased by the CPI rate. The figures above are therefore calculated based on the RedQuadrant exercise calculations and for each element a figure they would equate to now as part of the overall £3.89 figure</li> <li>• There is continued acknowledgement that Providers have different service/cost/operational models</li> </ul>
<p>10.</p>	<p><b>Q.</b> In terms of 'other costs', has there been any consideration for the cost of uniforms?</p> <p><b>A.</b> Please see details in question 9. The Workforce Recruitment and Retention and IPC grants will help with the additional challenges. These are in place for March 2022. At the moment we don't know if these will be available after March 2022. We will be in touch in the next few weeks to offer support to help providers maximise the grant.</p>
<p>11.</p>	<p><b>Q.</b> In terms of recruitment, this has been stress-tested over the past 12 months and the market rate isn't competitive against other sectors. The National Living Wage is far less attractive than other market segments outside of the care sector.</p> <p><b>A.</b> It is acknowledged that recruitment is an issue and Providers may wish to provide information on this (and associated costs) as part of their response to the consultation. The council has provided grant funding to support this and is also exploring how to support the sector with recruitment. In addition, as part of future commissioning work the Council will be engaging with Providers on how new commissioning and contracting models can better support Providers with staffing related issues.</p>

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## Supported Living

No.	Question and Answer
4.	<p><b>Q. Can we see a breakdown of ‘other costs’? This will enable us to provide a reconciliation.</b></p> <p><b>A.</b> The RedQuadrant report resulted in an overall hourly rate of £13.14, of which £2.20 was attributed to ‘other costs’</p> <ul style="list-style-type: none"> <li>• These ‘other costs’ were for elements such as:               <ul style="list-style-type: none"> <li>○ Mileage</li> <li>○ Uniforms</li> <li>○ Registration fees (DBS etc)</li> <li>○ Recruitment</li> <li>○ I.T. and Communications</li> <li>○ Rostering / administration</li> <li>○ Central / regional management</li> <li>○ Support services</li> <li>○ Premises</li> </ul> </li> <li>• A specific amount within the £2.20 for each element is not detailed in the RedQuadrant report – as previously advised it is acknowledged that Providers will have different cost models and when submitting information as part of the consultation response process, they may wish to outline current ‘other costs’ which could include the above elements but also any other elements that Providers feel should be referenced.</li> </ul>
5.	<p><b>Q.</b> Has the annual leave been increased because of the bank holiday?</p> <p><b>A.</b> No. Services would still be delivered on these days and therefore the Provider would be paid based on the agreed hourly rate.</p>
3.	<p><b>Q.</b> The National Living Wage is not enough to recruit the calibre of staff needed to provide the care needed. Do the Councillors realise that the budget allocated will be reducing the quality provided?</p> <p><b>A.</b> The Council does appreciate that it is a challenging time, however, when considering market costs we have to do so within the context of what is affordable to the Council and our available budget. We appreciate that this is challenging both at a local and national level. and subject to the national position. Sefton, along with other Councils in similar positions have lobbied to ADASS, who in turn are sharing concerns with Central Government.</p> <p>Providers can reflect these issues in their consultation responses in relation to the proposals and we will reflect your feedback in the Cabinet report. Please send evidence to us at <a href="mailto:commissioningandcontracts@sefton.gov.uk">commissioningandcontracts@sefton.gov.uk</a></p>

	<p>The Council has allocated funds from national grants (such as the WRRF) to Providers, but is conscious that these are time limited, so we are also looking at wider initiatives that we can implement to support Providers with recruitment and retention.</p>
4.	<p><b>Q.</b> The National Living Wage is not competitive compared to other sectors. We have increased recruitment and agency costs and high costs of utilities. Do you want us to evidence these costs?</p> <p><b>A.</b> Yes, please provide evidence to the email address above. The evidence will be used to inform final fee proposals/decisions and would then be reflected in the final Cabinet report.</p>
9.	<p><b>Q.</b> Do you have to have responses by the 10<sup>th</sup> April?</p> <p><b>A.</b> Yes, all responses should be received by midnight on the 10<sup>th</sup> April 2022.</p>
6.	<p><b>Q.</b> Will the fees be backdated?</p> <p><b>A.</b> Yes, the fees will be backdated to the 1<sup>st</sup> April 2022 and once the fee rate is ratified by Cabinet it will be automatically implemented in our finance system.</p>
7.	<p><b>Q.</b> Can you share the Red Quadrant analysis?</p> <p><b>A.</b> Please see response to question 1</p>
8.	<p><b>Q.</b> Can the breakdown of the on-costs for the sleep-in rate be shared with providers?</p> <p><b>A.</b> The calculation of NLW + 15% was based on a previous analysis of the market and following our benchmarking work with other Local Authorities and the Council not seeking to implement flat rates based on legal judgements.</p> <p>As part of the response to the consultation, it would be very helpful for providers to feedback on current sleep-in rates they pay to staff and how these are calculated and formulated which could inform our future modelling of costs in relation to the wider market.</p>

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## Equality Analysis Report - Care Home Fees

### Contents

Details of proposal.....	1
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Are there any protected characteristics that will be disproportionately affected in comparison to others? .....	5
Consultation: .....	5
Is there evidence that the Public Sector Equality Duties will be met?.....	6
What actions will follow if proposal accepted by cabinet & Council?.....	8

**Details of proposal:** (Clearly identify the proposal give details of relevant service provision and the demographics covered by the policy or service)

The proposal relates to the fees payable to Care Homes, in respect of residents placed in those homes by the Council, during the 2022/23 financial year.

The specific detail of the proposal is a 7.18% increase to Residential and Nursing care home fees. The proposal is currently out for consultation with Sefton Residential and Nursing care home Providers.

Residential care homes provide services for the following client groups:

- Older People
- Mental Health
- Alcohol / Drugs
- Learning Disabilities
- Physical Disabilities

Nursing care homes provide services for the following client groups:

- Older People
- Mental Health
- Alcohol / Drugs
- Learning Disabilities
- Physical Disabilities
- Terminal Illness (not including older people)

Nursing Homes either cater for specific client groups (listed above) or are able to cater for more than one type of client group.

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There are currently 131 registered care homes for Adults in Sefton, of which 94 predominately cater for Older People. The remainder are typically small registered homes for people such as those with complex Learning Disabilities and typically base fees on individual assessments.

Of the 94 Older People homes;

- 59 are residential homes
- 34 are nursing homes

51 of these 94 homes are CQC registered to be able to support people with Dementia.

For the 94 care homes, there are 10 homes where fees are typically calculated based on individual assessments of Service User's needs due to the complexity of the care package requirements and diversity of need being catered for and as a result "3rd Party Top-Ups" are not applicable.

Of the remaining 84 care homes, 67 (79.76% of applicable homes) currently charge residents a 3rd Party Top-Up over and above the fee paid by Sefton Council. The percentage of homes levying a 3rd Party Top-Up has increased since the fees were last set.

Within the 131 care homes, there are currently 3,730 bed spaces. At the time of the last weekly quantification of vacancies there were 515 vacancies (13.81%), across all care home types and categories and so the market was operating at 86.19% capacity.

Typically, over recent years, at any one-time Sefton placements have accounted for in the region of 45% of the occupied bed spaces, with a total of 1,400 placements, of which 1,000 are in residential care homes and 400 in nursing homes.

The demographics of Service Users accessing these services are;

## Age Group

*Table 1 - Age Groups of Care Home Service Users*

	<b>Total Clients</b>	
<b>Adults</b>	273	13.85%
<b>Age 65-74</b>	243	12.33%
<b>Age 75-84</b>	570	28.92%
<b>Age 85-94</b>	715	36.28%
<b>Age 95+</b>	170	8.63%
<b>Sum:</b>	1971	

## Gender

*Table 2 - Gender of Care Home Service Users*

	<b>Total Clients</b>		<b>Total Clients</b>	
	<b>Female</b>		<b>Male</b>	
<b>Adults</b>	129	6.54%	144	7.31%

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	Total Clients		Total Clients	
<b>Older People</b>	1133	57.48%	565	28.67%
<b>Sum:</b>	1262		709	

## Ethnicity

Table 3 - Ethnicity of Care Home Service Users

	Total Clients		Total Clients	
	Adults		Older People	
<b>Any other ethnic group</b>			1	0.05%
<b>Asian/Asian British - Any other Asian background</b>			1	0.05%
<b>Asian/Asian British - Chinese</b>	2	0.10%	5	0.25%
<b>Asian/Asian British - Indian</b>	1	0.05%	1	0.05%
<b>Black/Black British - African</b>	1	0.05%		
<b>Black/Black British - Caribbean</b>	1	0.05%		
<b>Information not yet obtained</b>	9	0.46%	129	6.54%
<b>Mixed - Any other mixed background</b>	1	0.05%		
<b>Mixed - White and Asian</b>	1	0.05%		
<b>Mixed - White and Black Caribbean</b>	2	0.10%		
<b>Not Recorded</b>			5	0.25%
<b>Not Stated</b>			3	0.15%
<b>Refused</b>			1	0.05%
<b>White - Any other White background</b>	2	0.10%	26	1.32%
<b>White - British/English/Welsh/Scottish/Northern Irish</b>	250	12.68%	1516	76.92%
<b>White - Irish</b>	3	0.15%	10	0.51%
<b>Sum:</b>	<b>273</b>		<b>1698</b>	

## Primary Support Reason

Table 4 - Primary Support Reason of Care Home Service Users

	Total Clients		Total Clients		Total Clients		Total Clients	
	Female		Female		Male		Male	
	Adults		Older People		Adults		Older People	
<b>Learning Disability Support</b>	51	2.59%	28	1.42%	50	2.54%	25	1.27%
<b>Mental Health Support</b>	35	1.78%	109	5.53%	42	2.13%	74	3.75%
<b>Physical Support - Access and</b>	3	0.15%	35	1.78%	1	0.05%	16	0.81%

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	Total Clients		Total Clients		Total Clients		Total Clients	
<b>Mobility Only</b>								
<b>Physical Support - Personal Care Support</b>	30	1.52%	638	32.37%	46	2.33%	313	15.88%
<b>Sensory Support - Support for Dual Impairment</b>			2	0.10%				
<b>Sensory Support - Support for Hearing Impairment</b>							3	0.15%
<b>Sensory Support - Support for Visual Impairment</b>			3	0.15%			5	0.25%
<b>Social Support - Substance Misuse Support</b>					1	0.05%	1	0.05%
<b>Social Support - Support for Social Isolation/ Other</b>	2	0.10%	6	0.30%			2	0.10%
<b>Support with Memory and Cognition</b>	8	0.41%	312	15.83%	4	0.20%	126	6.39%
<b>Sum:</b>	129		1133		144		565	

## Ramifications of Proposal:

The proposals relate to the fees paid to Providers for Residential and Nursing care home placements. The specific proposals are that for the 2022/23 period it will introduce the following fees;

Table 5 - Proposed 2022/23 Care Home Fees

	Residential Care	EMI Residential	Nursing	EMI Nursing
<b>2022/23 Fee</b>	£561.10	£634.85	£576.98	£641.26
2022/22 Fee	£523.51	£592.32	£538.33	£598.30
<i>Weekly Increase</i>	£37.59	£42.53	£38.65	£42.96
<i>% Increase</i>	7.18%	7.18%	7.18%	7.18%

It is also proposed that any existing placements

which are costed based on an individual Service User assessment would also be uplifted by the same percentage increase as detailed in the above table.

If the recommendations were to be implemented, then this could result in fee structures for clients changing. For example, providers may seek to obtain the difference between the existing fee

amount and the fee they wish to charge from clients via increasing their contribution. This could place some clients at an economic disadvantage.

There is the possibility that some Provider's may face difficulties adapting their services and could then become unviable which would lead to them withdrawing from the market. This could therefore reduce the availability of services that meet specific Service User needs.

## **Are there any protected characteristics that will be disproportionately affected in comparison to others?**

*The protected characteristics under the Equality Act 2010 are:*

- *Age*
- *Disability*
- *Gender Reassignment*
- *Marriage and Civil Partnership*
- *Race*
- *Religion or Belief*
- *Sex*
- *Sexual Orientation*
- *Pregnancy and Maternity*

If the fee proposals were to be implemented and the above ramifications were to materialise then the following protected characteristics may be affected;

- Age - as the majority of current service users are aged over 65;
- Gender - as the majority of current service users are female;
- Disability - as by definition all those people assessed as eligible for residential and nursing care have a disability.
- Complexity

### Approach to support those with protected characteristics

The issue would be to ensure care providers are able to provide the level of care to meet needs identified in assessment and care plan – some people residing in care homes have complex and unpredictable levels of need which will be individual to themselves and so in addition to proposals on a new fee increase / usual price, Sefton Council have a process for funding individual needs over and above this usual rate . This is to safeguard those who may be affected by applying a standard rate which may not meet their needs/characteristics (for example 1:1 funding) and ensures that rates paid are sufficient to meet assessed needs.

**Consultation:**

**Consultation:**

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The consultation encompassed the original proposal to increase both Residential and Nursing fees By 6.61%, based on the following calculation;

Table detailing proposed 2022/23 care home fee increases

	<b>Residential Care</b>	<b>EMI Residential</b>	<b>Nursing</b>	<b>EMI Nursing</b>
<b>2022/23 Proposed Fee</b>	<b>£558.11</b>	<b>£631.47</b>	<b>£573.91</b>	<b>£637.85</b>
<i>2021/22 Fee</i>	£523.51	£592.32	£538.33	£598.30
<i>Weekly Increase</i>	£34.60	£39.15	£35.58	£39.55
<i>% Increase</i>	6.61%	6.61%	6.61%	6.61%

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

1. Whether the level of proposed fees set out will cover the cost of meeting assessed care needs within an efficient residential/nursing home for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023; and
2. If you do not agree with the above rates and in particular, if you consider that they will not cover the cost of meeting assessed care needs within an efficient residential/nursing home, please outline why and provide any supporting information that you feel may be pertinent.

As part of the consultation process two Microsoft Teams consultation meetings were being held With Providers during the consultation period which have enabled providers to raise questions to Senior Officers within the council and has also provided a further opportunity to state their general Views about the market and the challenges faced.

In addition, a dedicated section of the Sefton Council website was set up to publish information on the consultation. This includes a running commentary of Questions and Answers to ensure that providers were able to ask questions and receive a response which is anonymised and shared with all providers.

The website also has the notes and presentations from consultation meetings held with providers, together with the initial EIA.

The consultation responses were analysed, together a range of factors such risks raised in relation to additional costs and regional averages and this resulted in the fee increases being increased from those originally proposed at the commencement of the consultation.

## **Is there evidence that the Public Sector Equality Duties will be met?**

*The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:*

1. *Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*

2. *Advance equality of opportunity between people who share a protected characteristic and those who do not.*
3. *Foster good relations between people who share a protected characteristic and those who do not.*

*The Act explains that having due regard for advancing equality involves:*

- *Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- *Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- *Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

The options proposed do not involve any change to the criteria for residential or nursing care, as assessed via the Council's eligibility criteria nor do they involve any changes to the capacity of services.

Each supported resident in residential and nursing care homes will continue to have an individual care plan which is reviewed each year in accordance with the Care Act 2014. In assessing the care needs of residents Sefton Council is required to have regard to its public sector equality duty.

With respect to the above;

**Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.**

Residential & Nursing care home placements will continue to be provided on the basis of assessed need.

Performance monitoring of contracts regularly takes place and Social Workers and families / advocates give feedback as to the treatment of Service Users. In addition, the Council monitors data on placements made to ensure that there is fair access to all that meet the eligibility criteria.

**Advance equality of opportunity between people who share a protected characteristic and those who do not.**

Placements are based on a person's individual need and offers opportunities for people to live as independently a life as possible including in the wider community.

Under current eligibility assessments, Service User's religious and cultural needs are taken into account and where specific needs are identified these are met – for example by Service User's being placed in care homes that deliver cultural specific services thus enabling them to participate in public life.

**Foster good relations between people who share a protected characteristic and those who do not.**

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Residential & Nursing care facilitates support people with disabilities to live within the community thus making sure that disability is accepted and understood by the wider community.

All Provider's must evidence of how they will treat Service Users with respect and dignity, and create an environment free from discrimination, bullying and harassment for Service Users and staff.

In addition;

- The Council will continue to work with Provider's to ensure that they provide appropriate services to disabled people on a contract and service specification basis and monitoring of service delivery.
- The Council as commissioning agent will remind service Provider's, when undergoing changes to their services to treat their staff in accordance with Equality and Employment law.
- Service Users are and will continue to be assessed in a qualitative manner in accordance with national guidance and Care Act 2014.
- Under Section 47 of the National Health Service and Community Care Act 1990, individual services provided will be privy to regular review to assess if those services are meeting assessed needs.
- Residential & Nursing care is a program specifically designed, costed and targeted for disabled people.

## **What actions will follow if proposal accepted by cabinet & Council?**

*Include details of any mitigating action and ongoing monitoring to address any of the equality impacts highlighted above*

- Ongoing consultation with care home Providers will include obtaining provider views on the economic impact of the implementation of any decision and this information will in turn be used to ascertain any possible economic impacts on clients or regulatory impacts on individual care homes.
- There is also an ongoing costs of care exercise being conducted by an externally commissioned organisation which encompasses ascertaining from Providers their costs and engagement with them. The full findings will be available for consideration at a future date.
- The cost of care exercise links to Central Government announcing reforms which will be introduced from 2022-23 and will impact on Adult Social Care fee rates and fair cost of care exercises. Work will take place on implementation of these reforms.
- Regular liaison with the Care Quality Commission will also continue and as part of this any issues identified with respect to the financial viability of individual care homes will be monitored. The impacts of any potential financial difficulties identified would be assessed, especially with respect to the impact on the wider Sefton care home market, meeting demand for services and capacity in the market. To this end the capacity of current services will be monitored regularly to assess capacity levels for all categories of care homes.
- The Care Act 2014 gives responsibilities to CQC for assessing the financial sustainability of certain care providers, it also gives them new powers to request information from those providers and to request a provider who they judge to be in financial difficulty to develop a sustainability plan and arrange an independent business review, to help the care provider remain financially sustainable. The Council will continue to work with CQC if and when they share concerns about care providers operating in Sefton.



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- With respect to any potential impacts of the decision on the quality of service provided in care homes, regular monitoring will continue to take place. This will include monitoring of factors such as the standard of the physical environment, the quality and retention of staff, staff training and overall management of services. Monitoring of Safeguarding referrals and regulatory notifications will also continue.
- Implementation of the joint Care Home Strategy 2021-24 will continue, which references work on a review of fee rates and the new cost of care exercise. Strategy implementation will encompass further engagement and consultation with Providers.
- In addition, the Care Home Strategy outlines joint approaches to;
  - Care home market management
  - Contractual and quality compliance and monitoring
  - Improving outcomes for residents
  - Improving service quality
  - Support to Providers and their staff
  - Implementation of technological solutions
  - Consultation and engagement with the market

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## Equality Analysis Report – Domiciliary Care Fees (including Direct Payments)

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**Details of proposal:** (Clearly identify the proposal give details of relevant service provision and the demographics covered by the policy or service)

The proposal relates to the fees payable to Domiciliary Care Providers during the 2022/23 financial year.

The specific detail of the proposal is a 7.25% increase to the Domiciliary Care hourly rate and increases to the sleep-in rates, which would also be applied to Direct Payment rates where the Direct Payment Recipient utilises a Care Quality Commission (CQC) registered Domiciliary Care Agency to deliver their care and support.

The proposal encompasses the implementation of the following fee rates for contracted Domiciliary Care services;

*Table 1 - Proposed Domiciliary Care 2022-23 Fees*

Duration / Service Element	2022/23 Proposed Rates	2021/22 Rate
1 Hour	£17.89	£16.68
45 Minutes	£13.42	£12.51
30 Minutes	£8.95	£8.34
15 Minutes	£4.47	£4.17
Sleep-in (8 Hour Night)	£87.40	£81.97
Waking Night (8 Hour Night)	£143.12	£133.44

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The proposal also encompasses the implementation of the following rates for Direct Payment Recipients that utilise an Agency;

*Table 2 - Proposed Direct Payment (Agency) Rates*

<b>Duration / Service Element</b>	<b>2022/23 Proposed Rate</b>	<b>2021/22 Rate</b>
1 Hour (Domiciliary Care & Community Support)	£17.89	£16.68
Sleep-in (10 Hour Night)	£109.25	£102.47
Waking Night (10 Hour Night)	£178.90	£166.80

For those Direct Payment recipients that utilise a Personal Assistant (PA) to deliver their assessed care and support needs, the proposal is to hold the rate paid at the current rate of £13.00 per hour, as it has been assessed that this rate is still sufficient for recipients to employ a Personal Assistant and meet all associated costs with that employment. However, the Direct Payment (Personal Assistant) Sleep-in rate would increase to the following (as this rate is calculated based on the National Living Wage rate plus 15%);

*Table 3 - Proposed Direct Payment (Personal Assistant) Sleep-in Rate*

<b>Duration / Service Element</b>	<b>2021/22 Rate</b>	<b>2020/21 Rate</b>
Sleep-in (10 Hour Night)	£109.25 (£9.50 per hour + 15% x 10 hours)	£100.28

Domiciliary Care Providers provide services for the following client groups:

- Older People
- Mental Health
- Alcohol / Drugs
- Learning Disabilities
- Physical Disabilities
- Terminal Illness

The demographics of Service Users accessing these services are;

## **Age Group**

Table 4 - Age Groups of Domiciliary Care and Direct Payment Service Users

	Total	%
Adults	981	30.04%
Age 65-74	472	14.45%
Age 75-84	824	25.23%
Age 85-94	853	26.12%
Age 95+	136	4.16%
<b>Sum:</b>	<b>3266</b>	

## Gender

Table 5 - Gender of Domiciliary Care and Direct Payment Service Users

	Female	%	Male	%
Adults	523	16.01%	458	14.02%
Older People	1465	44.86%	820	25.11%
<b>Sum:</b>	<b>1988</b>		<b>1278</b>	

## Ethnicity

Table 6 - Ethnicity of Domiciliary Care and Direct Payment Service Users

	Adults	%	Older People	%
Any other ethnic group	2	0.05%	10	0.27%
Arab	0	0.00%	2	0.05%
Asian/Asian British - Any other Asian background	2	0.05%	4	0.11%
Asian/Asian British - Bangladeshi	2	0.05%	0	0.00%
Asian/Asian British - Chinese	2	0.05%	6	0.16%
Asian/Asian British - Indian	0	0.00%	2	0.05%
Black/Black British - Any other Black background	19	0.51%	10	0.27%
Black/Black British - Caribbean	4	0.11%	1	0.03%
Information not yet obtained	45	1.20%	129	3.43%
Mixed - Any other mixed background	3	0.08%	1	0.03%
Mixed - White and Asian	8	0.21%	5	0.13%
Mixed - White and Black Caribbean	248	6.60%	188	5.00%
Not Recorded	1	0.03%	5	0.13%
Not Stated	280	7.45%	217	5.78%
Refused	0	0.00%	1	0.03%
White - Any other White background	8	0.21%	42	1.12%
White - British/English/Welsh/Scottish/Northern Irish	630	16.77%	1864	49.61%
White - Irish	5	0.13%	10	0.27%
White - Traveller of Irish Heritage	1	0.03%	0	0.00%
<b>Sum:</b>	<b>1260</b>		<b>2497</b>	

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## Primary Support Reason

Table 7 - Primary Support Reason of Domiciliary Care and Direct Payment Service Users

	Female		Female		Male		Male	
	Adults	%	Older People	%	Adults	%	Older People	%
Learning Disability Support	98	2.61%	2	0.05%	102	2.71%	10	0.27%
Mental Health Support	77	2.05%	40	1.06%	94	2.50%	42	1.12%
Missing data	12	0.32%	4	0.11%	6	0.16%	2	0.05%
Physical Support - Access and Mobility Only	95	2.53%	164	4.37%	78	2.08%	78	2.08%
Physical Support - Personal Care Support	219	5.83%	1099	29.25%	167	4.45%	598	15.92%
Sensory Support - Support for Dual Impairment	0	0.00%	2	0.05%	0	0.00%	1	0.03%
Sensory Support - Support for Hearing Impairment	1	0.03%	1	0.03%	0	0.00%	0	0.00%
Sensory Support - Support for Visual Impairment	5	0.13%	7	0.19%	2	0.05%	3	0.08%
Social Support - Substance Misuse Support	7	0.19%	18	0.48%	3	0.08%	15	0.40%
Social Support - Support for Social Isolation / Other	145	3.86%	145	3.86%	139	3.70%	78	2.08%
Support with Memory and Cognition	8	0.21%	121	3.22%	2	0.05%	67	1.78%
Sum:	667		1603		593		894	

## Ramifications of Proposal:

The proposals relate to the fees paid to contracted Domiciliary Care Providers, with the proposals also linking to Direct Payment rates.

The specific proposals relating to contracted Domiciliary Care Providers are that for the 2022/23 period it will introduce the following fees;

Table 8 - Proposed 2022/23 Domiciliary Care Rates

Duration / Service Element	2022/23 Proposed Rates	2021/22 Rate
1 Hour	£17.89	£16.48
45 Minutes	£13.42	£12.36
30 Minutes	£8.95	£8.24

<b>Duration / Service Element</b>	<b>2022/23 Proposed Rates</b>	<i>2021/22 Rate</i>
15 Minutes	£4.47	<i>£4.12</i>
Sleep-in (8 Hour Night)	£87.40	<i>£81.97</i>
Waking Night (8 Hour Night)	£143.12	<i>£131.84</i>

In addition, Direct Payment rates Direct Payment Agency rates are aligned (in terms of how they are calculated) to the contracted Domiciliary Care rates. In order to maintain this, it is therefore proposed that the Direct Payment Agency rates are increased to the following;

*Table 9 - Proposed 2022/23 Direct Payment (Agency) rates*

<b>Duration / Service Element</b>	<b>2022/23 Proposed Rate</b>	<i>2021/22 Rate</i>
1 Hour	£17.89	<i>£16.68</i>
Sleep-in (10 Hour Night)	£109.25	<i>£105.14</i>
Waking Night (10 Hour Night)	£178.90	<i>£166.80</i>

With respect to the Direct Payment Personal Assistant rate, it is proposed that the current rates are held and not increased, apart from an increase to the sleep-in rate to take into account the increase to the National Living Wage, thus resulting in the following increase;

*Table 10 - Proposed 2022/23 Direct Payment (Personal Assistant) Sleep-in Rate*

<b>Duration / Service Element</b>	<b>2021/22 Rate</b>	<i>2020/21 Rate</i>
Sleep-in (10 Hour Night)	£109.25 (£9.50 per hour + 15% x 10 hours)	<i>£102.47</i>

The proposals do not include any changes to how sleep-in rates are calculated, as outlined in the consultation.

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There is the possibility that some Provider's may face difficulties adapting their services and could then become unviable which would lead to them withdrawing from the market. This could therefore reduce the availability of services that meet specific Service User needs.

There is also the possibility that Direct Payment recipients who employ a Personal Assistant may not be able to recruit and retain staff to deliver their care and support.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

*The protected characteristics under the Equality Act 2010 are:*

- *Age*
- *Disability*
- *Gender Reassignment*
- *Marriage and Civil Partnership*
- *Race*
- *Religion or Belief*
- *Sex*
- *Sexual Orientation*
- *Pregnancy and Maternity*

If the fee proposals were to be implemented and the above ramifications were to materialise then the following protected characteristics may be affected;

- **Age** - as the majority of current service users are aged over 65
- **Gender** - as the majority of current service users are female

## Consultation:

The consultation period commenced on 28<sup>th</sup> February 2022 and will be until up to 10<sup>th</sup> April 2022. As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

1. Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Domiciliary Care for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
2. If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, a dedicated section of the Sefton Council website was set up to publish information on the consultation. This includes a running commentary of Questions and Answers to ensure that providers were able to ask questions and receive a response which is anonymised and shared with all providers.

The website also has the notes and presentations from consultation meeting held with providers,



together with the initial EIA.

The consultation responses were analysed, together a range of factors such risks raised in relation to additional costs, regional averages and this resulted in the fee increases being increased from those originally proposed at the commencement of the consultation.

**Is there evidence that the Public Sector Equality Duties will be met ?**

*The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:*

- 1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
- 2. Advance equality of opportunity between people who share a protected characteristic and those who do not.*
- 3. Foster good relations between people who share a protected characteristic and those who do not.*

*The Act explains that having due regard for advancing equality involves:*

- Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

The options proposed do not involve any change to the criteria for Domiciliary Care, as assessed via the Council's eligibility criteria nor do they involve any changes to the capacity of services or how payments for sleep-in services are formulated.

Each Service User will continue to have an individual care plan which is reviewed each year in accordance with the Care Act 2014. In assessing the care needs of Service Users Sefton Council is required to have regard to its public sector equality duty.

With respect to the above;

**Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.**

Domiciliary Care services will continue to be provided on the basis of assessed need.

Performance monitoring of contracts regularly takes place and Social Workers and families / advocates give feedback as to the treatment of Service Users. In addition, the Council monitors data on contracts to ensure that there is fair access to all that meet the eligibility criteria.

**Advance equality of opportunity between people who share a protected characteristic and those who do not.**

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Domiciliary Care packages are based on a person's individual need and offers opportunities for people to live as independently a life as possible and under an enabling approach.

Under current eligibility assessments, Service User's religious and cultural needs are taken into account and where specific needs are identified these are met, thus enabling them to participate in public life.

## **Foster good relations between people who share a protected characteristic and those who do not.**

Domiciliary Care services support people with disabilities to continue to live within the community thus making sure that disability is accepted and understood by the wider community.

All Provider's must evidence of how they will treat Service Users with respect and dignity, and deliver services in a way which is free from discrimination, bullying and harassment for Service Users and Domiciliary Care staff.

In addition;

- The Council will continue to work with Provider's to ensure that they provide appropriate services to disabled people on a contract and service specification basis and monitoring of service delivery.
- The Council as commissioning agent will remind service Provider's, when undergoing changes to their services to treat their staff in accordance with Equality and Employment law.
- Service Users are and will continue to be assessed in a qualitative manner in accordance with national guidance and Care Act 2014.
- Under Section 47 of the National Health Service and Community Care Act 1990, individual services provided will be privy to regular review to assess if those services are meeting assessed needs.
- The current service specification contains specific requirements relating to equalities.
- Domiciliary Care is a program designed, costed and targeted to support disabled people.

**What actions will follow if proposal accepted by cabinet & Council ?**

*Include details of any mitigating action and ongoing monitoring to address any of the equality impacts highlighted above*

- Ongoing consultation with Domiciliary Care Providers will include obtaining provider views on the economic impact of the implementation of any decision and this information will in turn be used to ascertain any possible economic impacts on clients or regulatory impacts on individual Providers.
- Central Government have announced reforms which will be introduced from 2022-23 and will impact on Adult Social Care fee rates and fair cost of care exercises. Work will take place on implementation of these reforms for the Domiciliary care sector and further consultation and engagement with Providers will take place
- Future commissioning arrangements will be devised including assessments on;
  - Change in demand for services and strategic objectives
  - Service delivery issues – such as any issues with delivery in specific Sefton geographical areas

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- New contractual and payment arrangements – such as block bookings
- Workforce development and support
- Recruitment and retention of staff
- Further implementation of enabling approach and Provider Trusted Assessor role
- Implementing new I.T. systems for better recording of care delivery
- Linkages to other initiatives such as greater use of Technology Enabled Care solutions
- The demand for services will also be monitored, such as changes to the demographic profile of the borough and the demand for more specialist services.
- Risk management work will be conducted which will include analysis of the capacity within the market and the ability of the market to ‘absorb’ individual Providers withdrawing from the Sefton market. This analysis will also be informed by performance information on numbers of Domiciliary Care package commissioned and ability to meet demand and individual needs
- Regular liaison with the Care Quality Commission will also continue and as part of this any issues identified with respect to the financial viability of individual Providers will be monitored. The impacts of any potential financial difficulties identified would be assessed, especially with respect to the impact on the wider Sefton Domiciliary Care market, meeting demand for services and capacity in the market. To this end the capacity of current services will be monitored regularly to assess capacity levels.
- The Care Act 2014 gives responsibilities to CQC for assessing the financial sustainability of certain care providers, it also gives them new powers to request information from those providers and to request a provider who they judge to be in financial difficulty to develop a sustainability plan and arrange an independent business review, to help the care provider remain financially sustainable. The Council will continue to work with CQC if and when they share concerns about care providers operating in Sefton.
- With respect to any potential impacts of the decision on the quality of service provided, regular monitoring will continue to take place. This will include monitoring of factors such as meeting Service User needs, the quality and retention of staff, staff training and overall management of services. Monitoring of Safeguarding referrals and regulatory notifications will also continue.
- Ongoing monitoring of Direct Payment accounts will continue to take place to both ensure that Recipients continue to have sufficient funding to commission services and to also monitor the level of surplus recoveries being made from Direct Payment accounts. As part of this work engagement with Sefton Carers Centre will continue to take place.
- Ongoing work will take place to assess sleep-in services, including rates paid for them.

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## Equality Analysis Report – Supported Living Fees

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**Details of proposal:** (Clearly identify the proposal give details of relevant service provision and the demographics covered by the policy or service)

The proposal relates to the fees payable to Supported Living Providers during the 2022/23 financial year.

The specific detail of the proposal is a 7.71% increase to the Supported Living hourly rate and increases to the sleep-in rates / waking night rates.

The proposal encompasses the implementation of the following fee rates for contracted Supported Living services:

*Table 1 - Proposed Supported Living 2022-23 Fees*

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rates
Hourly Rate	<b>£16.76</b>	£15.56
Sleep-in (9 Hours)	<b>£98.33</b>	£92.22
Sleep-in (10 Hours)	<b>£109.25</b>	£102.47
Waking Night (9 Hours)	<b>£150.84</b>	£140.04
Waking Night (10 Hours)	<b>£167.60</b>	£155.60

Supported Living Providers provide services for the following client groups:

- Learning Disabilities
- Mental Health
- Physical Disabilities
- Older People
- Alcohol / Drugs

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The demographics of Service Users accessing these services are;

## Age Group

*Table 2 - Age Groups of Supported Living Service Users*

	<b>Total</b>	<b>%</b>
<b>Adults</b>	431	87.07%
<b>Age 65-74</b>	50	10.10%
<b>Age 75-84</b>	13	2.63%
<b>Young People</b>	1	0.20%
<b>Sum:</b>	<b>495</b>	

## Gender

*Table 3 - Gender of Supported Living Service Users*

	<b>Female</b>	<b>%</b>	<b>Male</b>	<b>%</b>
<b>Adults</b>	120	24.24%	311	62.83%
<b>Older People</b>	24	4.85%	39	7.88%
<b>Young People</b>	1	0.20%		
<b>Sum:</b>	<b>145</b>		<b>350</b>	

## Ethnicity

*Table 4 - Ethnicity of Supported Living Service Users*

	<b>Adults</b>	<b>%</b>	<b>Older People</b>	<b>%</b>	<b>Young People</b>	<b>%</b>
<b>Asian/Asian British - Any other Asian background</b>	1	0.20%				
<b>Asian/Asian British - Chinese</b>	2	0.40%				
<b>Black/Black British - African</b>	1	0.20%				
<b>Black/Black British - Any other Black background</b>	2	0.40%				
<b>Information not yet obtained</b>	14	2.83%	2	0.40%	1	0.20%
<b>Mixed - Any other mixed background</b>	4	0.81%	1	0.20%		
<b>Mixed - White and Asian</b>	2	0.40%				
<b>White - Any other White background</b>	4	0.81%				
<b>White - British/English/Welsh/Scottish/Northern Irish</b>	400	80.81%	60	12.12%		
<b>White - Irish</b>	1	0.20%				
<b>Sum:</b>	<b>431</b>		<b>63</b>		<b>1</b>	

## Primary Support Reason

Table 5 - Primary Support Reason of Supported Living Service Users

	Female Adults	%	Female Older People	%	Female Young People	%	Male Adults	%	Male Older People	%
	<b>Learning Disability Support</b>	79	15.96%	14	2.83%	1	0.20%	173	34.95%	26
<b>Mental Health Support</b>	33	6.67%	8	1.62%			114	23.03%	9	1.82%
<b>Physical Support - Access and Mobility Only</b>							1	0.20%		
<b>Physical Support - Personal Care Support</b>	7	1.41%	2	0.40%			17	3.43%	2	0.40%
<b>Sensory Support - Support for Visual Impairment</b>									1	0.20%
<b>Social Support - Substance Misuse Support</b>							1	0.20%		
<b>Social Support - Support for Social Isolation / Other</b>							2	0.40%		
<b>Support with Memory and Cognition</b>	1	0.20%					3	0.61%	1	0.20%
<b>Sum:</b>	<b>120</b>		<b>24</b>		<b>1</b>		<b>311</b>		<b>39</b>	

## Ramifications of Proposal:

The proposals relate to the fees to be paid to Supported Living Providers as from 1<sup>st</sup> April 2022.

The specific proposals relating to Supported Living Providers are that for the 2022/23 period it will introduce the following fees:

Table 6 - Proposed 2022/23 Supported Living Rates

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rates
Hourly Rate	<b>£16.76</b>	£15.56
Sleep-in (9 Hours)	<b>£98.33</b>	£92.22
Sleep-in (10 Hours)	<b>£109.25</b>	£102.47
Waking Night (9 Hours)	<b>£150.84</b>	£140.04
Waking Night (10 Hours)	<b>£167.60</b>	£155.60

There is the possibility that some Provider's may face difficulties adapting their services and could then become unviable which would lead to them withdrawing from the market. This could therefore reduce the availability of services that meet specific Service User needs.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

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*The protected characteristics under the Equality Act 2010 are:*

- *Age*
- *Disability*
- *Gender Reassignment*
- *Marriage and Civil Partnership*
- *Race*
- *Religion or Belief*
- *Sex*
- *Sexual Orientation*
- *Pregnancy and Maternity*

If the fee proposals were to be implemented and the above ramifications were to materialise then the following protected characteristics may be affected;

- **Disability** - as the majority of current service users have a learning disability
- **Gender** – high proportion of services delivered to males

## Consultation:

The consultation period commenced on 28<sup>th</sup> February 2022 and will be until up to 10<sup>th</sup> April 2022. As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions:

1. Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Supported Living for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
2. If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, a dedicated section of the Sefton Council website was set up to publish information on the consultation. This includes a running commentary of Questions and Answers to ensure that providers were able to ask questions and receive a response which is anonymised and shared with all providers.

The website also has the notes and presentations from consultation meeting held with providers, together with the initial EIA.

The consultation responses were analysed, together a range of factors such risks raised in relation to additional costs, regional averages and this resulted in the fee increases being increased from those originally proposed at the commencement of the consultation.

## Is there evidence that the Public Sector Equality Duties will be met?

*The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:*



1. *Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
2. *Advance equality of opportunity between people who share a protected characteristic and those who do not.*
3. *Foster good relations between people who share a protected characteristic and those who do not.*

*The Act explains that having due regard for advancing equality involves:*

- *Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- *Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- *Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

The options proposed do not involve any change to the criteria for Supported Living, as assessed via the Council's eligibility criteria nor do they involve any changes to the capacity of services.

Each Service User will continue to have an individual care plan which is reviewed each year in accordance with the Care Act 2014. In assessing the care needs of Service Users Sefton Council is required to have regard to its public sector equality duty.

With respect to the above;

**Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.**

Supported Living services will continue to be provided on the basis of assessed need.

Performance monitoring of contracts regularly takes place and Social Workers, families/advocates provide feedback as to the treatment of Service Users via the review process. In addition, the Council monitors data on contracts to ensure that there is fair access to all that meet the eligibility criteria.

**Advance equality of opportunity between people who share a protected characteristic and those who do not.**

Supported Living services are based on a person's individual need and offers opportunities for people to live as independently a life as possible and under an enabling approach.

Under current eligibility assessments, Service User's religious and cultural needs are taken into account and where specific needs are identified these are met, thus enabling them to participate in public life.

**Foster good relations between people who share a protected characteristic and those who do not.**

Supported Living services support people with disabilities to continue to live within the community

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thus making sure that disability is accepted and understood by the wider community.

All Provider's must evidence of how they will treat Service Users with respect and dignity and deliver services in a way which is free from discrimination, bullying and harassment for Service Users and Supported Living staff.

In addition;

- The Council will continue to work with Provider's to ensure that they provide appropriate services to disabled people on a contract and service specification basis and monitoring of service delivery.
- The Council as commissioning agent will remind service Provider's, when undergoing changes to their services to treat their staff in accordance with Equality and Employment law.
- Service Users are and will continue to be assessed in a qualitative manner in accordance with national guidance and Care Act 2014.
- Under Section 47 of the National Health Service and Community Care Act 1990, individual services provided will be privy to regular review to assess if those services are meeting assessed needs.
- The current service specification contains specific requirements relating to equalities.
- Supported Living services are designed, costed and targeted to support disabled people to remain living within the community.

What actions will follow if proposal accepted by cabinet & Council ?

*Include details of any mitigating action and ongoing monitoring to address any of the equality impacts highlighted above*

- Ongoing consultation with Supported Living Providers will include obtaining provider views on the economic impact of the implementation of any decision and this information will in turn be used to ascertain any possible economic impacts on clients or regulatory impacts on individual Providers.
- Central Government have announced reforms which will be introduced from 2022-23 and will impact on Adult Social Care fee rates and fair cost of care exercises. Work will take place on implementation of these reforms for the Supported Living sector and further consultation and engagement with Providers will take place
- Future commissioning arrangements will be devised including assessments on:
  - Recruitment and retention of staff
  - Appropriate training to upskill staff support for more complex service users
  - Identifying scope for reducing overreliance on support in services (principally hours delivered), through Providers identifying flexibilities in support hours which adapt to changes in Service User's needs
  - Exploring the use of new assistive technology systems that increase independence and reduce restrictive support in particular, overnight support

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- Linkages to other initiatives such as greater use of Technology Enabled Care solutions for better self-management of longer-term health conditions
- National and local factors concerning the cost of care and the demand for services will also be monitored, such as changes to the demographic profile of the borough and the demand for more specialist services.
- Risk management work will be conducted which will include analysis of the capacity within the market and the ability of the market to support more complex individuals. This analysis will also be informed by performance information on numbers of Supported Living placements commissioned and the ability to meet current and future demand and complex individual needs
- Regular liaison with the Care Quality Commission will also continue and as part of this any issues identified with respect to the quality and financial viability of individual Providers will be monitored.
- The Care Act 2014 gives responsibilities to CQC for assessing the financial sustainability of certain care providers, it also gives them new powers to request information from those providers and to request a provider who they judge to be in financial difficulty to develop a sustainability plan and arrange an independent business review, to help the care provider remain financially sustainable. The Council will continue to work with CQC when they share concerns about care providers operating in Sefton.
- With respect to any potential impacts of the decision on the quality of service provided, regular monitoring will continue to take place. This will include monitoring of factors such as meeting Service User needs, the quality and retention of staff, staff training and overall management of services. Monitoring of Safeguarding referrals and regulatory notifications will also continue.

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## Equality Analysis Report – Extra Care Fees

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**Details of proposal:** (Clearly identify the proposal give details of relevant service provision and the demographics covered by the policy or service)

The proposal relates to the fees payable to Extra Care Providers during the 2022/23 financial year.

The specific detail of the proposal is a 7.71% increase to the Extra Care hourly rate.

The proposal encompasses the implementation of the following fee rates for contracted Extra Care services:

*Table 1 - Proposed Extra Care 2022-23 Fees*

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rate
Hourly Rate	£16.76	£15.56

Extra Care Providers provide services for the following client groups:

- Older People
- Mental Health
- Learning Disabilities
- Physical Disabilities

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The demographics of Service Users accessing these services are:

## Age Group

Table 2 - Age Groups of Extra Care Service Users

	Total	%
Adults	10	29%
Age 65-74	4	12%
Age 75-84	9	26%
Age 85-94	9	26%
Age 95+	2	6%
Sum:	34	

## Gender

Table 3 - Gender of Extra Care Service Users

	Female	Male
Adults	2	8
Older People	14	10
Sum:	16	18

## Ethnicity

Table 4 - Ethnicity of Extra Care Service Users

	Female		Male	
	Adults	Older People	Adults	Older People
Information not yet obtained		1	1	2
White - Any other White background				1
White - British/English/Welsh/Scottish/Northern Irish	2	13	7	7
Sum:	2	14	8	10

## Primary Support Reason

Table 5 - Primary Support Reason of Extra Care Service Users

	Female		Male	
	Adults	Older People	Adults	Older People
Learning Disability Support	0	0	3	0
Mental Health Support	1	1	1	0
Physical Support - Personal Care Support	1	11	4	10
Support with Memory and Cognition	0	2	0	0
Sum:	2	14	8	10

## Ramifications of Proposal:

The proposals relate to the fees to be paid to Extra Care Providers as from 1<sup>st</sup> April 2022.

The specific proposals relating to Extra Care Providers are that for the 2022/23 period it will introduce the following fees:

*Table 6 - Proposed 2022/23 Extra Care Rates*

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rate
Hourly Rate	£16.76	£15.56

There is the possibility that some Provider's may face difficulties adapting their services and could then become unviable which would lead to them withdrawing from the market. This could therefore reduce the availability of services that meet specific Service User needs.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

*The protected characteristics under the Equality Act 2010 are:*

- *Age*
- *Disability*
- *Gender Reassignment*
- *Marriage and Civil Partnership*
- *Race*
- *Religion or Belief*
- *Sex*
- *Sexual Orientation*
- *Pregnancy and Maternity*

If the fee proposals were to be implemented and the above ramifications were to materialise then the following protected characteristics may be affected;

- **Age** – all service users are aged 55 and over.
- **Disability** – high proportion of service users with a disability.

## Consultation:

The consultation period commenced on 28<sup>th</sup> February 2022 and will be until up to 10<sup>th</sup> April 2022. As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions:

1. Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Extra Care for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

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2. If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, a dedicated section of the Sefton Council website was set up to publish information on the consultation. This includes a running commentary of Questions and Answers to ensure that providers were able to ask questions and receive a response which is anonymised and shared with all providers.

The website also has the notes and presentations from consultation meeting held with providers, together with the initial EIA.

The consultation responses were analysed, together a range of factors such risks raised in relation to additional costs, regional averages and this resulted in the fee increases being increased from those originally proposed at the commencement of the consultation.

## Is there evidence that the Public Sector Equality Duties will be met?

*The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:*

1. *Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
2. *Advance equality of opportunity between people who share a protected characteristic and those who do not.*
3. *Foster good relations between people who share a protected characteristic and those who do not.*

*The Act explains that having due regard for advancing equality involves:*

- *Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- *Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- *Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

The options proposed do not involve any change to the criteria for Extra Care, as assessed via the Council's eligibility criteria nor do they involve any changes to the capacity of services.

Each Service User will continue to have an individual care plan which is reviewed each year in accordance with the Care Act 2014. In assessing the care needs of Service Users Sefton Council is required to have regard to its public sector equality duty.

With respect to the above:



## **Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.**

Extra Care services will continue to be provided on the basis of assessed need.

Performance monitoring of contracts regularly takes place and Social Workers, families/advocates provide feedback as to the treatment of Service Users via the review process. In addition, the Council monitors data on contracts to ensure that there is fair access to all that meet the eligibility criteria.

## **Advance equality of opportunity between people who share a protected characteristic and those who do not.**

Extra Care services are based on a person's individual need and offers opportunities for people to live as independently a life as possible and under an enabling approach.

Under current eligibility assessments, Service User's religious and cultural needs are taken into account and where specific needs are identified these are met, thus enabling them to participate in public life.

## **Foster good relations between people who share a protected characteristic and those who do not.**

Extra Care services support people with disabilities to continue to live within the community thus making sure that disability is accepted and understood by the wider community.

All Provider's must evidence of how they will treat Service Users with respect and dignity and deliver services in a way which is free from discrimination, bullying and harassment for Service Users and Extra Care staff.

In addition;

- The Council will continue to work with Provider's to ensure that they provide appropriate services to disabled people on a contract and service specification basis and monitoring of service delivery.
- The Council as commissioning agent will remind service Provider's, when undergoing changes to their services to treat their staff in accordance with Equality and Employment law.
- Service Users are and will continue to be assessed in a qualitative manner in accordance with national guidance and Care Act 2014.
- Under Section 47 of the National Health Service and Community Care Act 1990, individual services provided will be privy to regular review to assess if those services are meeting assessed needs.
- The current service specification contains specific requirements relating to equalities.
- Extra Care services are designed, costed and targeted to support people aged 55+ to remain living on their own in a safe and secure environment within the community.

What actions will follow if proposal accepted by cabinet & Council ?

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*Include details of any mitigating action and ongoing monitoring to address any of the equality impacts highlighted above*

- Ongoing consultation with Extra Care Providers will include obtaining provider views on the economic impact of the implementation of any decision and this information will in turn be used to ascertain any possible economic impacts on clients or regulatory impacts on individual Providers.
- Central Government have announced reforms which will be introduced from 2022-23 and will impact on Adult Social Care fee rates and fair cost of care exercises. Work will take place on implementation of these reforms for the Extra Care sector and further consultation and engagement with Providers will take place
- Future commissioning arrangements will be devised including assessments on:
  - Recruitment and retention of staff
  - Appropriate training to upskill staff
  - Identifying scope for reducing overreliance on support in services (principally hours delivered), through Providers identifying flexibilities in support hours which adapt to changes in Service User's needs
  - Exploring the use of new assistive technology systems that increase independence and reduce restrictive support in particular, overnight support
  - Linkages to other initiatives such as greater use of Technology Enabled Care solutions for better self-management of longer-term health conditions
- National and local factors concerning the cost of care and the demand for services will also be monitored, such as changes to the demographic profile of the borough and the demand for more specialist services.
- Regular liaison with the Care Quality Commission will also continue and as part of this any issues identified with respect to the quality and financial viability of individual Providers will be monitored.
- The Care Act 2014 gives responsibilities to CQC for assessing the financial sustainability of certain care providers, it also gives them new powers to request information from those providers and to request a provider who they judge to be in financial difficulty to develop a sustainability plan and arrange an independent business review, to help the care provider remain financially sustainable. The Council will continue to work with CQC when they share concerns about care providers operating in Sefton.
- With respect to any potential impacts of the decision on the quality of service provided, regular monitoring will continue to take place. This will include monitoring of factors such as meeting Service User needs, the quality and retention of staff, staff training and overall management of services. Monitoring of Safeguarding referrals and regulatory notifications will also continue.

## Equality Analysis Report – Community Support Fee

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**Details of proposal:** (Clearly identify the proposal give details of relevant service provision and the demographics covered by the policy or service)

The proposal relates to the hourly rate payable to Community Support Providers during the 2022/23 financial year.

The specific detail of the proposal is a 7.25% increase to the Community Support hourly rate.

The proposal encompasses the implementation of the following fee rate for contracted Community Support Services.

*Table 1 - Proposed Community Support 2022-23 Fees*

Duration / Service Element	2022/23 Proposed Rates	2021/22 Rate
1 Hour	<b>£17.89</b>	£16.68

Community Support Providers provide services for the following client groups:

- Older People
- Mental Health
- Alcohol / Drugs
- Learning Disabilities
- Physical Disabilities
- Terminal Illness

The demographics of Service Users accessing these services are;

### Age Group

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Table 2 - Age Groups of Community Support Service Users

	Total	%
Adults	477	84.28
Age 65-74	37	6.54
Age 75-84	37	6.54
Age 85-94	14	2.47
Age 95+	1	0.18
<b>Sum:</b>	<b>566</b>	

## Gender

Table 3 - Gender of Community Support Service Users

	Female	%	Male	%	Unknown	%
Adults	183	32.33	293	51.77	1	0.18
Older People	47	8.30	42	7.42		
<b>Sum:</b>	<b>230</b>		<b>335</b>		<b>1</b>	

## Ethnicity

Table 4 - Ethnicity of Community Support Service Users

	Adults	%	Older People	%
Any other ethnic group	3	0.53	2	0.35
Asian/Asian British - Bangladeshi	1	0.18		
Asian/Asian British - Chinese	2	0.35	1	0.18
Asian/Asian British - Indian	1	0.18		
Black/Black British - African	1	0.18		
Black/Black British - Any other Black background	2	0.35	1	0.18
Black/Black British - Caribbean			1	0.18
Information not yet obtained	53	9.36	5	0.88
Mixed - Any other mixed background	1	0.18		
Mixed - White and Asian	3	0.53		
Mixed - White and Black African	1	0.18		
Mixed - White and Black Caribbean	1	0.18		
White - Any other White background	3	0.53	2	0.35
White - British/English/Welsh/Scottish/Northern Irish	403	71.20	77	13.60
White - Irish	2	0.35		
<b>Sum:</b>	<b>477</b>		<b>89</b>	

## Primary Support Reason

Table 5 - Primary Support Reason of Community Support Service Users

	Female		Female		Male		Male	
	Adults	%	Older People	%	Adults	%	Older People	%
Learning Disability Support	93	16.43	3	0.53	179	31.63	5	0.88
Mental Health Support	28	4.95	4	0.71	52	9.19	11	1.94
Physical Support - Access and Mobility Only	9	1.59	2	0.35	5	0.88	1	0.18
Physical Support - Personal Care Support	39	6.89	29	5.12	42	7.42	12	2.12
Sensory Support - Support for Dual Impairment	1	0.18						
Sensory Support - Support for Hearing Impairment	1	0.18	1	0.18			1	0.18
Sensory Support - Support for Visual Impairment	2	0.35			2	0.35		
Social Support - Substance Misuse Support	1	0.18			2	0.35		
Social Support - Support for Social Isolation / Other	5	0.88	1	0.18	10	1.77	3	0.53
Support with Memory and Cognition	4	0.71	7	1.24	1	0.18	9	1.59
Sum:	183		47		293		42	

## Ramifications of Proposal:

The proposals relate to the fees paid to contracted Community rate

The specific proposals relating to contracted Community Support Providers are that for the 2022/23 period it will introduce the following fees:

Table 6 - Proposed 2022/23 Community Support rate

Duration / Service Element	2022/23 Proposed Rates	2021/22 Rate
1 Hour	<b>£17.89</b>	£16.68

There is the possibility that some Provider's may face difficulties adapting their services and could then become unviable which would lead to them withdrawing from the market. This could therefore reduce the availability of services that meet specific Service User needs.

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Are there any protected characteristics that will be disproportionately affected in comparison to others?

*The protected characteristics under the Equality Act 2010 are:*

- *Age*
- *Disability*
- *Gender Reassignment*
- *Marriage and Civil Partnership*
- *Race*
- *Religion or Belief*
- *Sex*
- *Sexual Orientation*
- *Pregnancy and Maternity*

If the fee proposals were to be implemented and the above ramifications were to materialise then the following protected characteristics may be affected;

- **Disability** – a high proportion of service user have a learning disability
- **Gender** - as the majority of current service users are male

## Consultation:

The consultation period commenced on 28<sup>th</sup> February 2022 and will be until up to 10<sup>th</sup> April 2022. As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

1. Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Community Support for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
2. If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

As part of the consultation process a Microsoft Teams consultation meeting was held with Providers during the consultation period which enabled providers to raise questions to senior officers within the council and has also provided a further opportunity to state their general views about the market and the challenges faced, including those pertinent to the pandemic.

In addition, a dedicated section of the Sefton Council website was set up to publish information on the consultation. This includes a running commentary of Questions and Answers to ensure that providers were able to ask questions and receive a response which is anonymised and shared with all providers.

The website also has the notes and presentations from consultation meeting held with providers, together with the initial EIA.

The consultation responses were analysed, together a range of factors such risks raised in relation to additional costs and regional averages and this resulted in the fee increases being increased from

those originally proposed at the commencement of the consultation.

Is there evidence that the Public Sector Equality Duties will be met?

*The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:*

- 1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
- 2. Advance equality of opportunity between people who share a protected characteristic and those who do not.*
- 3. Foster good relations between people who share a protected characteristic and those who do not.*

*The Act explains that having due regard for advancing equality involves:*

- Removing or minimising disadvantages suffered by people due to their protected characteristics.*
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.*
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.*

The options proposed do not involve any change to the criteria for Community Support, as assessed via the Council's eligibility criteria nor do they involve any changes to the capacity of services.

Each Service User will continue to have an individual care plan which is reviewed each year in accordance with the Care Act 2014. In assessing the care needs of Service Users Sefton Council is required to have regard to its public sector equality duty.

With respect to the above;

**Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.**

Community Support services will continue to be provided on the basis of assessed need.

Performance monitoring of contracts regularly takes place and Social Workers and families / advocates give feedback as to the treatment of Service Users. In addition, the Council monitors data on contracts to ensure that there is fair access to all that meet the eligibility criteria.

**Advance equality of opportunity between people who share a protected characteristic and those who do not.**

Community Support packages are based on a person's individual need and offers opportunities for people to live as independently a life as possible and under an enabling approach.

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Under current eligibility assessments, Service User's religious and cultural needs are taken into account and where specific needs are identified these are met, thus enabling them to participate in public life.

## **Foster good relations between people who share a protected characteristic and those who do not.**

Community Support services support people with disabilities to continue to live within the community thus making sure that disability is accepted and understood by the wider community.

All Provider's must evidence of how they will treat Service Users with respect and dignity and deliver services in a way which is free from discrimination, bullying and harassment for Service Users and Community Support staff.

In addition;

- The Council will continue to work with Provider's to ensure that they provide appropriate services to disabled people on a contract and service specification basis and monitoring of service delivery.
- The Council as commissioning agent will remind service Provider's, when undergoing changes to their services to treat their staff in accordance with Equality and Employment law.
- Service Users are and will continue to be assessed in a qualitative manner in accordance with national guidance and Care Act 2014.
- Under Section 47 of the National Health Service and Community Care Act 1990, individual services provided will be privy to regular review to assess if those services are meeting assessed needs.
- The current service specification contains specific requirements relating to equalities.
- Community Support is designed, costed and targeted to support disabled people.

**What actions will follow if proposal accepted by cabinet & Council ?**

*Include details of any mitigating action and ongoing monitoring to address any of the equality impacts highlighted above*

- Ongoing consultation with Community Support Providers will include obtaining provider views on the economic impact of the implementation of any decision and this information will in turn be used to ascertain any possible economic impacts on clients or regulatory impacts on individual Providers.
- Central Government have announced reforms which will be introduced from 2022-23 and will impact on Adult Social Care fee rates and fair cost of care exercises. Work will take place on implementation of these reforms for the Community Support sector and further consultation and engagement with Providers will take place
- Future commissioning arrangements will be devised including assessments on;
  - Change in demand for services and strategic objectives
  - Service delivery issues – such as any issues with delivery in specific Sefton geographical areas
  - New contractual and payment arrangements – such as block bookings
  - Workforce development and support
  - Recruitment and retention of staff



- Further implementation of enabling approach
- Implementing new I.T. systems for better recording of care delivery
- Linkages to other initiatives such as greater use of Technology Enabled Care solutions
- The demand for services will also be monitored, such as changes to the demographic profile of the borough and the demand for more specialist services.
- Risk management work will be conducted which will include analysis of the capacity within the market and the ability of the market to 'absorb' individual Providers withdrawing from the Sefton market. This analysis will also be informed by performance information on numbers of Community Support packages commissioned and ability to meet demand and individual needs
- Regular liaison with the Care Quality Commission will also continue and as part of this any issues identified with respect to the financial viability of individual Providers will be monitored. The impacts of any potential financial difficulties identified would be assessed, especially with respect to the impact on the wider Sefton market, meeting demand for services and capacity in the market. To this end the capacity of current services will be monitored regularly to assess capacity levels.
- The Care Act 2014 gives responsibilities to CQC for assessing the financial sustainability of certain care providers, it also gives them new powers to request information from those providers and to request a provider who they judge to be in financial difficulty to develop a sustainability plan and arrange an independent business review, to help the care provider remain financially sustainable. The Council will continue to work with CQC if and when they share concerns about care providers operating in Sefton.
- With respect to any potential impacts of the decision on the quality of service provided, regular monitoring will continue to take place. This will include monitoring of factors such as meeting Service User needs, the quality and retention of staff, staff training and overall management of services. Monitoring of Safeguarding referrals and regulatory notifications will also continue.

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# Agenda Item 5

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	26 May 2022
<b>Subject:</b>	St Teresa's Catholic Infant School - Determination of Proposal to Close		
<b>Report of:</b>	Head of Education	<b>Wards Affected:</b>	Birkdale; Cambridge; Norwood;
<b>Portfolio:</b>	Cabinet Member - Education		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

On 3<sup>rd</sup> February 2022 Cabinet approved the publication of the Statutory Notice for the proposal to close St Teresa's Catholic Infant School. The purpose of this report is to seek a determination on the proposal for the closure of the school. In accordance with the School Organisation (Establishment and Discontinuance of Schools) Regulations 2013 the decision maker for this proposal is the local authority.

## Recommendation(s):

- (1) That the contents of the report are noted
- (2) Members agree to the closure of St Teresa's Catholic Infant School with effect from 31<sup>st</sup> August 2022.

## Reasons for the Recommendation(s):

The Local Authority has the power to consider all options including closing a maintained school following the statutory process detailed in the report.

## Alternative Options Considered and Rejected: (including any Risk Implications)

Alternative options have been explored by the governing body with support from Officers prior to the governing body making their request.

## What will it cost and how will it be financed?

### (A) Revenue Costs

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The financial deficit is projected to be -£103,500 at the end of the 2021/22 financial year. The final deficit position at the 31st of August 2022 is expected to be higher than this due to the closure costs identified in paragraph 5.3. This will take the final sum to approximately -£190,000, however, will be the subject of change and will be reported in a future financial monitoring paper. This will be funded by the Council's school closure reserve.

There will also be a loss of funding for Education functions to maintained schools (£300), the loss of Traded Service income (£34,450) and reductions to the amounts de-delegated funding towards specific central functions (£2,850). These will need to be met from existing service budgets however, due to the recent number of these changes a full analysis is being undertaken and the outcome of the financial implications on the education service and other support services will be determined and reported to Cabinet together with any resulting recommendations and potential mitigations.

The overall financial position of the school will be carefully monitored up to the point of closure and will be reported to members when this is known. This will be a more financially favourable option for the Council rather than the school remaining open and the deficit increasing further which would impact on the overall Council finances.

## (B) Capital Costs

N/A

### Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> Staff from Corporate Finance and Corporate Personnel together with Business Support have continued to provide support to the Governors and Leadership Team of St Teresa's Infant School over the last 18 months.	
<b>Legal Implications:</b> Proposals to close the school will continue to follow the requirements of the School Organisation (Establishment and Discontinuance of Schools) Regulation 2013 and statutory guidance.	
<b>Equality Implications:</b> There are no equality implications.	
<b>Climate Emergency Implications:</b>  The recommendations within this report will	
Have a positive impact	Yes
Have a neutral impact	No
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes
The school building is not being used to its full capacity and heating and lighting are still required for a small number of staff and pupils. This proposal will mean less use of energy and will also impact on car use in the area.	

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**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: All children will still be able to attend a Catholic school.
Facilitate confident and resilient communities: All children will be able to attend the school which they would normally move to in KS2 as this school is an infant school.
Commission, broker and provide core services: All children will be able to attend a Catholic school in the catchment area.
Place – leadership and influencer: N/A
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: N/A
Greater income for social investment: N/A
Cleaner Greener: N/A

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.6770/22) and the Chief Legal and Democratic Officer (LD.4970/22) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Public consultation on the proposal has taken place in accordance with statutory requirements. As part of the consultation process meetings were held with staff, governors, and parents.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

<b>Contact Officer:</b>	Tricia Davies/Marie Stevenson
<b>Telephone Number:</b>	Tel: 0151 934 3428/3427
<b>Email Address:</b>	Tricia.davies@sefton.gov.uk/marie.stevenson@sefton.gov.uk

**Appendices:**

# Agenda Item 5

The following appendices are attached to this report:

Appendix A: Public Notice and Complete Proposal St Teresa's

## **Background Papers:**

Opening and closing maintained schools: statutory guidance for proposers and decision makers, November 2019, Department for Education.

<https://www.gov.uk/government/publications/school-organisation-maintained-schools>

## **1. Introduction/Background**

- 1.1 At their meeting on 3<sup>rd</sup> February 2022, Cabinet considered the outcome of the consultation and agreed to proceed to the publication of the statutory proposal to close the school.

## **2. Publication of statutory proposal**

- 2.1 The public notice and complete proposal were published on 2<sup>nd</sup> March 2022. A notice was published in the Southport Champion and a copy of this together with the complete proposal was published on the Sefton Council website. The four-week representation period ended on 30<sup>th</sup> March 2022.
- 2.2 Four representations were received from members of the local community (two by letter and two by email) which expressed concern about the closure of the school and the future use of the building as they did not want to see it demolished for housing and the character of the area destroyed. They were anxious to know what will happen to the building as they wish to see it continue as something of value to the community. There were also concerns about vandalism and anti-social behaviour. These representations are available for inspection by Cabinet Members and the Archdiocese of Liverpool who are responsible for the building have been made aware of the comments.

## **3. Decision making process**

- 3.1 In accordance with the School Organisation (Establishment and Discontinuance of Schools) Regulation 2013 the local authority will be the decision-maker for the proposal.
- 3.2 The decision must be made within a period of two months of the end of the representation period, or it must be referred to the Schools Adjudicator.

- 3.3 The Department for Education does not prescribe the exact process by which a decision-maker carries out their decision-making function. However, the body or individual that takes the decision must have regard to the statutory decision makers guidance contained in “Opening and closing maintained schools: Statutory guidance for proposers and decision-makers” published by the DFE at the following link:<https://www.gov.uk/government/publications/school-organisation-maintained-schools>
- 3.4 When issuing a decision, the decision maker can:
- Reject the proposal
  - Approve the proposal without modification
  - Approve the proposal with such modifications as they think desirable, after consulting the LA and/or proposer (as appropriate); or
  - Approve the proposal – with or without modification-subject to certain conditions (such as the granting of planning permission) being met.
- 3.5 Where the LA is the decision-maker, within one week of making a determination they must arrange for their decision and the reasons for it to be published on the website where the original proposal was published. They must arrange for notification of the decision and the reasons for it to be sent to:
- the Secretary of State
  - the governing body/proposers (as appropriate)
  - the Schools Adjudicator
  - The Diocesan Board of Education of any Church of England Diocese in the relevant area
  - The bishop of any diocese of the Roman Catholic Church any part of which is comprised in relevant authority area ; and
  - Any other body considered appropriate (e.g., any other relevant religious authority);and
  - the trustees of the school where relevant e.g., site trustees).

## **4. Implementation**

- 4.1 The proposer must implement the proposal in the form approved, including any modifications made by the decision-maker.
- 4.2 Following the notification to the Secretary of State, the DFE’s School Organisation Team will make the necessary amendments to the school’s GIAS records (Get Information About Schools).

## **5. Financial Position**

- 5.1 St Teresa’s Catholic Infant School has been struggling financially for several years and the Governing Body has worked hard to reduce costs but have unfortunately not been able to set a balanced budget since 2018/19.
- 5.2 The school ended the 2020/21 financial year with a deficit of -£55,316 and although the Governing Body has made several staffing adjustments in August

# Agenda Item 5

2021 the current budget shows the deficit rising to -£103,500 by the end of the current financial year.

- 5.3 There will continue to be staffing and running costs in 2022/23, if the school continues to operate until 31st August 2022. When the school closes there will be closure costs associated with the discontinuation of the site along with any potential contractual liabilities that are still outstanding and severance costs for displaced staff. The final sum is expected to be approximately -£190,000 but will be subject to change. There may be some residual School funding from 2022/23 to offset some of the additional costs but this cannot be calculated at this time.
- 5.4 Maintained schools pay a contribution from their delegated budget each year to the Local Authority towards the costs of meeting its statutory education functions and central services to maintained schools. The amount St Teresa's currently pays for this is £3,150 and this income will be lost when the school closes.
- 5.5 St Teresa's Infant School also buys into many traded services from the Council which will cease when the school closes and this will mean a further reduction in income to the Council of approximately £34,500.

## **6. Standards**

- 6.1 St Teresa's Catholic Infant School was rated as Good at its last Ofsted inspection.

## **7. Pupil Numbers/School Capacity**

- 7.1 St Teresa's Catholic Infant School had 2 pupils left on roll at the time of the January 2022 School Census which meant that they had 97.7% surplus places. Once the consultation for the proposal to close was announced parents chose to seek alternative school places for their children and the remaining pupils were also waiting for appropriate places to be found for them. There are three other Catholic primary schools in the Southport area with a total of 420 infant places between them including Our Lady of Lourdes Catholic Primary, St Patrick's Catholic Primary and Holy Family Catholic Primary.

## **8. Impact on the community**

- 8.1 This proposal will remove 90 infant places. St Teresa's is the sister school of Our Lady of Lourdes Catholic Primary and is already part of the Our Lady of Lourdes community as in the past pupils from St Teresa's have moved into KS2 at Our Lady of Lourdes.
- 8.2 There is concern about what will happen to the school building if the school closes as this will impact on the local area. The building is the responsibility of the Archdiocese of Liverpool, and no decision has yet been made about what will happen to the building. It will be their decision to decide how the building is used in future.



## **St Teresa's Catholic Infant School, Everton Road, Southport PR8 4BT**

Notice is hereby given in accordance with Section 15(1) of the Education and Inspections Act 2006 that Sefton Council intends to discontinue St Teresa's Catholic Infant School, Everton Road, Southport PR8 4BT on 31<sup>st</sup> August 2022.

Pupils presently attending St Teresa's Catholic Infant School will, if their parents wish, transfer automatically to Our Lady of Lourdes Catholic Primary School at the closure of their school or, in appropriate cases be offered places at other Catholic Primary Schools in accordance with parental preference. Admissions may also be sought at other schools where places are available.

This notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from School Organisation Team, Sefton Council, Town Hall, Oriel Road, Bootle L20 7AE or at [www.sefton.gov.uk/schools-learning/school-organisation](http://www.sefton.gov.uk/schools-learning/school-organisation)

Within four weeks of the date of publication of this proposal, any person may object to or make comments on this proposal by sending them to the School Organisation Team, Sefton Council, Town Hall, Oriel Road, Bootle L20 7AE.

The last date for representations is 5pm on 30<sup>th</sup> March 2022.

Signed:

D Johnson, Chief Executive and Authorised Officer of Sefton Metropolitan Borough Council

Publication Date: 2<sup>nd</sup> March 2022

## **Proposal to close St Teresa's Catholic Infant School**

### **Contact Details**

Sefton Council, Town Hall, Oriel Road, Bootle L20 7AE is publishing the proposal to discontinue St Teresa's Catholic Infant School, Everton Road, Southport PR8 4BT.

### **Implementation Date**

St Teresa's Catholic Infant School will be closed with effect from 31<sup>st</sup> August 2022.

### **Reason for closure**

Pupil numbers have been falling for several years at St Teresa's and this trend is likely to continue for the foreseeable future. The school had 83.3% surplus places in October 2021.

A consultation was originally carried out in 2019 on the proposal to close St Teresa's Catholic Infant School and expand the provision at Our Lady of Lourdes Catholic Primary School. The consultation ran from 21<sup>st</sup> October to 6<sup>th</sup> December 2019.

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A range of comments were made during the consultation process but there were very few responses in favour of the proposal to close St Teresa's Catholic Infants School and expand Our Lady of Lourdes Catholic Primary School. There was a great deal of passion from parents and staff of St Teresa's for the school to remain open either as a school in its' own right or as part of Our Lady of Lourdes. There was also a great deal of passion from parents and staff of Our Lady of Lourdes who felt that the proposal would be detrimental to their school and would put jobs, finances and school standards at risk.

Given the significant level of opposition from staff, parents, and governors for the proposal to close St Teresa's and extend provision at Our Lady of Lourdes, the recommendation was that the proposal be changed to the closure of St Teresa's Catholic Infant School.

At the Cabinet meeting held on the 5th March 2020, Members agreed to allow St Teresa's Governors' further time to provide an alternative financial proposal based on a half form entry from Reception to Year 2. This was presented to Cabinet on 30 July 2020 by the Governing Body who appealed to Cabinet to allow the school to remain open and to operate under a Licensed Deficit Budget Agreement. The Governing Body explained that they had been working hard to develop a robust financial plan but the situation with COVID 19 had meant that they had been unable to promote themselves as much as they would have liked. Members agreed to allow the Governing Body more time to provide a financial plan that provided assurance that the school was viable going forward.

The Local Authority has held termly monitoring meetings to review the financial plan submitted to Members with the Governors and Leadership Team of the school.

The Governing Body came forward in October 2021 and having exhausted all options to address the pupil numbers and financial situation requested that the Council considered beginning formal consultation to close St Teresa's Catholic Infant School. This was approved by Cabinet on 4<sup>th</sup> November 2021 and stage one of the consultation process took place from 22<sup>nd</sup> November until 17<sup>th</sup> December 2021.

## **Pupil numbers and admissions**

St Teresa's Catholic Infant School has a planned admission number (PAN) of 30. The following table shows pupil numbers at the school since January 2010.

<b>Year</b>	<b>Rec</b>	<b>Y1</b>	<b>Y2</b>	<b>Total</b>
January 2010	30	30	29	89
January 2011	30	30	28	88
January 2012	30	30	29	89
January 2013	30	30	29	89
January 2014	27	29	31	87
January 2015	30	28	26	84
January 2016	30	31	30	91
January 2017	26	29	28	83

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January 2018	20	21	25	66
January 2019	18	17	22	57
January 2020	17	13	18	48
January 2021	6	7	11	24
October 2021	2	6	7	15

Source: School Census Returns

The school also has a nursery and there were 5 pupils on roll as at October 2021 School Census.

Births in the Southport area have reduced by 25.6% since 2009/10.

Birth Year	Entry into Reception	Births in Southport
2008/09	2013/14	898
2009/10	2014/15	942
2010/11	2015/16	917
2011/12	2016/17	903
2012/13	2017/18	893
2013/14	2018/19	878
2014/15	2019/20	856
2015/16	2020/21	817
2016/17	2021/22	848
2017/18	2022/23	801
2018/19	2023/24	722
2019/20	2024/25	701

## **Displaced pupils**

Pupils presently attending St Teresa's Catholic Infant School will, if their parents wish, transfer automatically to Our Lady of Lourdes Catholic Primary School at the closure of their school or, in appropriate cases be offered places at other Catholic Primary Schools in accordance with parental preference. Admission may also be sought at other schools where places are available. The school has no existing specialist provision that is recognised by the local authority as reserved for pupils with special educational needs, and the school is not a special school.

## **Impact on the community**

This proposal will remove 90 infant places. St Teresa's is the sister school of Our Lady of Lourdes Catholic Primary and is already part of the Our Lady of Lourdes community as pupils from St Teresa's move into KS2 at Our Lady of Lourdes. This should minimise the impact on the community.

The building is owned by the Archdiocese of Liverpool and no decision has been made about what will happen to this once the school has closed. It will be their responsibility to decide how the building will be used in future.

## **Balance of denominational provision**

The closure of St Teresa's Catholic Infant School would mean that 90 infant places would be removed from the Catholic sector. There are three other Catholic primary

# Agenda Item 5

schools in the Southport area with a total 420 infant places between them including Our Lady of Lourdes Catholic Primary, St Patrick's Catholic Primary and Holy Family Catholic Primary. There are sufficient places available at Our Lady of Lourdes to accommodate pupils who will be displaced by this proposal. This includes those pupils whose parents have expressed a preference for a place in Reception in September 2022.

## **Travel**

Where a primary pupil needs to travel more than 2 miles to their nearest qualifying school or is eligible under the extended rights criteria for low income families, the Local Authority has a duty to provide free transport usually by way of a travel pass which will mitigate against increased car use.

Any new application for home to school transport will be assessed using the standard national home to school distance and income eligibility criteria taking into account that St Teresa's should no longer be considered as a qualifying school for the purposes of transport. Pupils with SEND who have an education health and care plan will have their transport needs individually assessed.

## **Procedure for responses**

Within four weeks of the date of publication of this proposal, any person may object to or make comments on this proposal by sending them to the School Organisation Team, Sefton Council, Town Hall, Oriel Road, Bootle L20 7AE.

The last date for representations is 5pm on 30<sup>th</sup> March 2022.

# Agenda Item 6

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	26 May 2022
<b>Subject:</b>	Appointment to Outside Bodies 2022/23		
<b>Report of:</b>	Chief Legal and Democratic Officer	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt Confidential Report:</b>	No		

## Summary:

To consider the appointment of the Council's representatives to serve on Outside Bodies and Thematic Partnership Bodies for 2022/23 for periods of one year and longer as set out in the attached appendices.

The appendices show the proposed appointments for 2022/23 following nominations submitted by the Political Groups on the Council.

## Recommendation(s): That:

- (1) the proposed representation on the various Outside Bodies for a twelve-month period expiring in May 2023 as set out in Appendix 1 to the report be approved;
- (2) to avoid delay in the appointment of Members to the Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee authority be granted for the Leader of the Council to make the nominations, in accordance with political balance procedures, once the political proportionality across the Cheshire and Merseyside local authorities has been resolved;
- (3) consideration be given to allocating the vacant position on the Joint Health Scrutiny Committee (where 3 or less local authorities request scrutiny of a substantial variation to a service), as referred to in paragraph 5 of the report, to another Member of the authority; and
- (4) the proposed representation on the various Outside Bodies for the term of office as indicated and set out in Appendix 2 to the report be approved.

## Reasons for the Recommendation(s):

The Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

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## Alternative Options Considered and Rejected:

None

## What will it cost and how will it be financed?

### (A) Revenue Costs

None arising from this report. The Council pays annual membership subscriptions to a number of the bodies from existing budgetary provision and the annual levy to the North Western Inshore Fisheries and Conservation Authority.

### (B) Capital Costs

None

## Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Financial</b>	
<b>Legal</b> Paragraph 40 of Chapter 5 in the Constitution gives the Cabinet delegated powers to make appointments to Outside Bodies, appropriate.	
<b>Human Resources</b>	
<b>Climate Emergency Implications:</b> The recommendations within this report will	
Have a positive impact	N/A
Have a neutral impact	N/A
Have a negative impact	N/A
The Author has undertaken the Climate Emergency training for report authors	YES
The continuation of work directly contributes towards achieving the targets within the Council's Climate Emergency strategy.	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: The appointment of Council representatives on to the Outside Bodies will ensure that the interests of residents of Sefton are taken into account by each Body.
Facilitate confident and resilient communities: As above
Commission, broker and provide core services: As above
Place – leadership and influencer: As above
Drivers of change and reform: As above
Facilitate sustainable economic prosperity: As above
Greater income for social investment: As above
Cleaner Greener: As above

## Impact of the Proposals on Service Delivery:

The appointment of Council representatives on to the Outside Bodies will ensure that the interests of residents of Sefton are taken into account by each Body.

## What consultations have taken place on the proposals and when?

The Executive Director Corporate Resources & Customer Services (FD6790/22) has been consulted and notes the report indicates no new direct financial implications for the Council.

The Chief Legal and Democratic Officer (LD4990/22) has been consulted and comments have been incorporated into the report

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

**Contact Officer:** Paul Fraser

**Tel:** 0151 934 2068

**Email:** paul.fraser@sefton.gov.uk

## Background Papers:

There are no background papers available for inspection

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## **Appendices:**

Appendix 1 – Proposed appointments for 12-month period expiring in May 2023 – to follow

Appendix 2 – Proposed appointments for a period of over one year – to follow

### **1. Introduction**

- 1.1 The Cabinet has delegated authority in the Council Constitution to appoint Council representatives to serve on Outside Bodies. The majority of the appointments are reviewed on an annual basis and the proposed representation for 2022/23 is set out in **Appendix 1** to this report. The Cabinet is requested to appoint representatives to serve on the bodies set out in the Appendix for the next twelve- month period expiring in May 2023.
- 1.2 A small number of appointments are for a period of over one year. These are for charitable bodies and governing bodies. The proposed representation on these bodies is set out in **Appendix 2** to this report. The Cabinet is requested to appoint those representatives whose current term of office on the appropriate body expired(s) in 2022, as highlighted in bold type.
- 1.3 A high number of the places on Outside Bodies are historically allocated to the most appropriate Cabinet Member and the remainder are allocated dependent on the number of places available, to the most appropriate Local Councillor(s). The details of the links to Cabinet Portfolios are set out in the two appendices.
- 1.4 The annual appointments to the Merseyside Joint Authority Bodies were agreed at the Annual Council Meeting held on 19 May 2022.

### **2. Local Government Association General Assembly**

- 2.1 Councillor Maher has attended meetings of the Local Government Association General Assembly during the last eight years and it is proposed in Appendix 1 to this report that Cllr Maher should continue to be the Council's representative for 2022/23 and be authorised to use the allocated 5 votes on behalf of the Council.

### **3. Joint Health Scrutiny Committees**

- 3.1 The Overview and Scrutiny Committee (Health and Social Care) at its meeting on 6 May 2014 and the Council at its meeting on 3 June 2014 approved a protocol which had been developed as a framework for the operation of joint health scrutiny arrangements across the local authorities of Cheshire and Merseyside. The protocol allows for the scrutiny of substantial developments and variations of the health service; and discretionary scrutiny of local health services.



- 3.2 The protocol provides a framework for health scrutiny arrangements which operate on a joint basis only. Each constituent local authority has its own local arrangements in place for carrying out health scrutiny activity individually.
- 3.3 All relevant NHS bodies and providers of NHS-funded services are required to consult local authorities when they have a proposal for a substantial development or substantial variation to the health service. Those authorities that agree that any such proposal does constitute a substantial development or variation are obliged to form a joint health overview and scrutiny committee for the purpose of formal consultation by the proposer of the development or variation.
- 3.4 Should that occur a joint committee would be composed of Councillors from each of the participating authorities within Cheshire and Merseyside in the following ways:
- where 4 or more local authorities deem the proposed change to be substantial, each authority will nominate 2 elected members; and
  - where 3 or less local authorities deem the proposed change to be substantial, then each participating authority will nominate 3 elected members.
- 3.5 To avoid inordinate delays in the establishment of a relevant joint committee, it is suggested in the protocol that constituent authorities should arrange for delegated decision-making arrangements to be put in place to deal with such nominations at the earliest opportunity and in making their nominations, each participating authority is asked to ensure that their representatives have the experience and expertise to contribute effectively to a health scrutiny process.

Please follow the link below to access the Protocol:

[http://smbc-modgov-03/ecSDDisplay.aspx?NAME=SD2284&ID=2284&RPID=28603547&\\$LO\\$=1](http://smbc-modgov-03/ecSDDisplay.aspx?NAME=SD2284&ID=2284&RPID=28603547&$LO$=1)

4. **Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee**
- 4.1 In response to the proposed establishment of Integrated Care Systems in England under the Health and Care Act 2022, the Chief Executives of the nine Merseyside and Cheshire local authorities have agreed a number of actions to ensure that joint health scrutiny arrangements in Cheshire and Merseyside are fit to meet the challenge of the new statutory Integrated Care System (ICS) arrangements. It has been deemed appropriate to establish a standing joint health scrutiny committee which will have the opportunity to take on the Authorities' collective statutory responsibility to oversee and scrutinise the operation of the ICS at Cheshire and Merseyside Level.

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- 4.2 The functions of the Joint Committee, to be known as the “Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee” are to be exercised with a view to supporting the effective planning, provision, and operation of health services at Cheshire and Merseyside level. This will include promoting transparency in how the ICS fulfils its responsibilities within Cheshire and Merseyside. The overarching role of the Joint Committee is to scrutinise the work of the ICS in the discharge of its statutory responsibilities and functions at Cheshire and Merseyside level in order to support their effective exercise and, where appropriate, to make reports or recommendations to the ICS.
- 4.3 It has been proposed that each of the nine local authorities affected would have 2 representatives. Based on 2021/22 political figures, Sefton would have had 2 Labour representatives on the Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee. At the time of drafting this report there are on-going discussions on political proportionality across the Cheshire and Merseyside local authorities and the requirements for the Sefton representatives will be confirmed in due course. It is recommended that to avoid delay in the appointment of Members to the Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee authority be granted for the Leader of the Council to make the nominations, in accordance with political balance procedures, once the political proportionality across the Cheshire and Merseyside local authorities has been resolved.
- 5.0 **Lydiate, Maghull, Aintree and Community Independents Group**
- 5.1 The Lydiate, Maghull, Aintree and Community Independents Group are entitled to one place on the Joint Health Scrutiny Committee (where 3 or less local authorities request scrutiny of a substantial variation to a service).
- 5.2 However, notice has been received from the Lydiate, Maghull, Aintree and Community Independents Group that they do not wish to take up a place on the Joint Health Scrutiny Committee as referred to above.
- 5.3 Accordingly, there is a vacancy on the Joint Health Scrutiny Committee.
- 5.4 The Cabinet is therefore requested to give consideration to allocating the vacant position to another Member of the authority.

# Agenda Item 7

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	26 May 2022
<b>Subject:</b>	Bootle Canalside - Business Case		
<b>Report of:</b>	Executive Director (Place)	<b>Wards Affected:</b>	Derby; Linacre;
<b>Portfolio:</b>	Cabinet Member - Regeneration and Skills		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

## Summary:

The purpose of this report is to update Cabinet on the progress of the Bootle Canalside Project and seek approval to the details of the project Business Case (attached) and the subsequent investment of both capital and revenue resources required to complete the project as identified in the Business Case.

## Recommendation(s):

- (1) the Canalside Business Case to be agreed and approved;
- (2) the Executive Director (Place) be authorised to implement the delivery plan outlined within the Canalside Business Case in consultation with the Cabinet Member – Regeneration and Skills;
- (3) Cabinet note that Cabinet Member for Regeneration and Skills in consultation with Cabinet Member for Regulatory, Compliance and Corporate Service will be requested to approve a virement of £557k from the Economic Recovery Earmarked Reserve to the Capital Programme for the Economic Growth and Housing Service;
- (4) Cabinet recommend to Council to approve a supplementary capital estimate of £557k for the Bootle Canalside development;
- (5) Cabinet note that Cabinet Member Cabinet Member Regeneration and Skills in consultation with Cabinet Member for Regulatory, Compliance and Corporate Service will be requested to approve a virement of £330k from the Growth Budget to the Economic Growth and Housing Service revenue budget;
- (6) Any other key decisions required in the delivery of the project are delegated to the Executive Director Place and Executive Director Corporate Resources and Customer Services in consultation with the Cabinet Member for Regeneration and Skills.

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## **Reasons for the Recommendation(s):**

To deliver the Canalside Project which will deliver economic and social benefits to the residents and businesses of Bootle.

## **Alternative Options Considered and Rejected:** (including any Risk Implications)

Options for the delivery of the Canalside Project are dealt with in the Business Case report which are:

- Do Nothing and leave the site vacant pending future investment
- Deliver the Meanwhile Use project through a private sector operator
- Deliver the Meanwhile Use project managed through a Partnership.

In consideration of the above, the preferred option is to manage and operate the site through the Council to retain control pending the wider Strand transformation project delivery.

## **What will it cost and how will it be financed?**

### **(A) Revenue Costs**

The revenue implications of operating and managing the project will be funded via existing Council resources for the Growth and Strategic Investment Programme. This is anticipated to cost £ 333k in Year 1, £312k in Year 2, £290k in year 3, £297k in year 4, and £304k in Year 5.

The key financial risk associated with the proposed operation relates to rental income which is anticipated to range from £58k in year 1 to £125k in year 5. Should rental targets included within the business case not be achieved, - expenditure will be reviewed and reduced to mitigate against this risk.

### **(B) Capital Costs**

The capital cost of the project will be funded via virement of £556,862 from the Economic Recovery Earmarked Reserve to the Economic Growth and Housing Capital Programme.

## **Implications of the Proposals:**

### **Resource Implications (Financial, IT, Staffing and Assets):**

The current people resources involved in developing and implementing the project are being managed through existing council budgets and are prioritised to ensure that the project meets existing financial and programme targets. External resources have been used where external expertise has been required and where a shortfall in resources would prevent progress.

Upon the completion of the capital works, there will be an ongoing requirement for extra resources to manage the project which will necessitate an increase in revenue spending for the duration of the meanwhile use project. Details are contained within the Financial Section of the Business Case.

<p><b>Legal Implications:</b></p> <p>Legal implications have been, and will be, dealt with through contracts with suppliers and reported appropriately through established procedures</p>								
<p><b>Equality Implications:</b></p> <p>Any equality implications will be identified and mitigated. For example, a Changing Places unit is included as a key part of this scheme. The site will be accessible for use by all sections of the community.</p>								
<p><b>Climate Emergency Implications:</b></p> <p>The recommendations within this report will</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Have a positive impact</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> <tr> <td style="padding: 2px;">Have a neutral impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">Have a negative impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">The Author has undertaken the Climate Emergency training for report authors</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> </table> <p>The Canalside Project includes as a key element of the scheme a ‘Waterside Garden’ of planters and planting which will improve the site environment for users of the site. This, combined with opening up the canal side and new towpath will open up the site for a range of leisure/wellbeing uses including cycling, walking, and a range of water-based activities.</p>	Have a positive impact	Yes	Have a neutral impact	No	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
Have a positive impact	Yes							
Have a neutral impact	No							
Have a negative impact	No							
The Author has undertaken the Climate Emergency training for report authors	Yes							

**Contribution to the Council's Core Purpose:**

<p>Protect the most vulnerable: Given the economic pressures on Sefton’s and the local Bootle economy (including Covid 19), the delivery of this project will create new employment opportunities for all sections of the community.</p>
<p>Facilitate confident and resilient communities: Whilst this project is located in Bootle Town Centre, the drivers for change have been community focused, and events to date, and future plans, involve extensive community consultation and involvement. The project will enhance community opportunity and the Borough as a place to live and work.</p>
<p>Commission, broker and provide core services: The project will support town centre place making strategy for Bootle Town Centre.</p>
<p>Place – leadership and influencer: The project will enable the Council to directly contribute to an improved place to live, work, visit, and invest. This will create further confidence in Bootle which will lead to further public and private sector investment.</p>
<p>Drivers of change and reform: The project will assist in providing long term sustainable investment. The project is a new type of project for Bootle which will create a diversity of uses and meet the expectations of the residents, businesses, and visitors to the site.</p>

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This will ultimately make Sefton an increasingly attractive place to invest which will be to the benefit of residents.

Facilitate sustainable economic prosperity: The nature of the project will facilitate and support new business start-up and investment. The project is a key element of the wider Strand Transformation project which will assist existing and new businesses to create additional employment and sustainable business growth.

Greater income for social investment: The income from commercial enterprise may support the delivery and enhancement of positive social impacts.

Cleaner Greener: The project follows current guidance, criteria, and standards which are contributing to Sefton's objectives in relating to environmental sustainability. The project will also enhance a key town centre canal side site..

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6792/22) and the Chief Legal and Democratic Officer (LD.4992/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Informal discussions have been undertaken with key stakeholders during the development of the project to date including partners in the health, educational (Hugh Baird), governmental (BEIS/NCASS), community (Regenerus), Charity (Canals and Rivers Trust) and other public (CA) and private sectors (including EFC and Strand Management and Wider Businesses). Consultation feedback has also been sought from residents and communities via test events on the site during 2021, and feedback incorporated into the business case.

## Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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<b>Telephone Number:</b>	0151 934 3544
<b>Email Address:</b>	stuart.barnes@sefton.gov.uk

## Appendices:

The following appendices are attached to this report:

- Bootle Canalside Project – Business Case – April 2022

## **Background Papers:**

There are no background papers for this report.

## **1. Introduction/Background**

The Bootle Canalside site is between the southern edge of the Strand Shopping Centre and the Leeds Liverpool Canal and was formerly occupied by the Post Office counter and sorting office building, and Easirent van hire business. Being in various ownerships, in 2020 Sefton Council acquired all outstanding interests in the site and in 2021 demolished and cleared the site through a support package of circa £2.1 million from the Liverpool City Region Combined Authority Single Investment Fund, LCR Town Centre Commission, and council staff resources.

This Business Case presented seeks approval to investment of Council capital and revenue resources into the site to both complete the fully approved scheme as per the planning approval and to manage and operate the site over the next 5 years. The details of this investment are detailed in the Business Case Section 4 – Financial Case.

The use proposed is to be of a 'Meanwhile Use' development, and it is envisaged that the principle of open space next to the canal will form a key component of any repurposing proposals for the Strand, help diversify the town retail offer, generate additional footfall, and help optimise the canal corridor location. This project therefore forms a key catalyst project and first phase of the larger Bootle Strand transformation and wider Bootle town centre regeneration programme. It will help stimulate new uses, encourage and provide a platform for community uses and provide an established venue for events and activities throughout the year.

## **2. The Project**

The project received Planning Approval in August 2021 for a:

“Change of use of land for a temporary period of up to 5 years as a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of up to 12 no shipping containers for food and drink purposes, 8 no containers for storage, welfare and site management facilities, bicycle storage and toilet facilities, 2 no containers for community use (up to 22 converted containers in total), hard and soft landscaping, car parking and new pedestrian accesses from Washington Parade and Stanley Road”.

The project will meet the key objectives of the Council Vision 2030 and Core Purpose and the project Vision will guide long term planning - helping to stimulate growth and, prosperity, set new expectation levels, and focussing on what is important for Sefton. The Core Purpose provides an outline on how the Council will contribute to achieving those ambitions as set out in the Vision 2030. The Council's major change programme

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the Framework for Change, supports the Council Vision. The Bootle Canalside Project objectives align closely with the Council Vision 2030 and Core Purpose are seeking to achieve and will assist in delivering those outcomes. The project will also assist in meeting the objectives of our partners.

The project is a new type of regeneration project for the Council to deliver including opportunities for community engagement in regeneration proposals. It brings in opportunities presented by the Canal – specifically education, leisure, and wellbeing, whilst linking into other potential partner initiatives – as such we are working with organisations such as Everton FC, the Nationwide Catering Association (NCASS) street food pilot project, BEIS, Hugh Baird College, Canals and Rivers Trust, and Business and Community Groups. Benefits will accrue specifically relating to improving derelict land, providing additional direct and indirect jobs and investment, and community related initiatives and partnerships.

### 3. Project Delivery

The site is now in Council ownership and the project will be managed and delivered through a project management team comprising officers from across the Council (details included in Section 6 – Management Case). The project is to be delivered in two distinct but interrelated elements as follows:

**Delivery of the capital project** will be led by the regeneration team with support from the Canalside Project Team comprising officers from relevant disciplines, and a dedicated design team, separately appointed. The Team will provide advice and support for funding, procurement, and management of design and implementation services to project handover.

**Delivery of the subsequent operational services** will be led by the Tourism and Events Team (and supported by Sefton Hospitality Operations Ltd) who will undertake the management of the project branding and roll out, and organising and managing an ongoing programme of events to include – food and drink festivals, artisan markets, regular weekly activities, comedy/music festivals, other specialist events i.e. light installations, ice rink, Christmas markets, pop up cinema, and community events.

The role of site management will be undertaken by Sefton Council but will include:

- Management and maintenance of the site facilities
- Management of the site to accommodate the events programme
- Continual presence on site during opening hours in dedicated premises
- Regular maintenance of the hard and soft landscaping elements of the project in collaboration with local community organisations
- Co-ordination of necessary site security.

### The Business Case

This case for investment report sets out the justification for investment based on the Treasury Green Book '5 cases' model covering the following areas:

- **Strategic Case** - to make the case for change and to demonstrate how it provides strategic fit with all relevant local, regional and national policies and targets.



- **Economic Case** - to identify the proposal that delivers best public value to the community, including meeting the wider social and environmental effects and particularly benefits.
- **Financial Case** - to demonstrate the required funding and affordability of the option for delivery and funding options, and how the project/deal impacts upon the balance sheet, income and expenditure and pricing arrangements of the Council.
- **Commercial Case** - to demonstrate that the preferred option will result in viable procurement and well-structured deals between the public sector and its service providers.
- **Management Case** - to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the Council's strategic planning cycle.

## Financial Implications

Financially, the Canalside project comprises 2 interlinked elements relating to Capital Works (Infrastructure and canal edge works) and the ongoing Operational and Management costs to manage the completed development.

### Capital Works

Significant investment has already been undertaken at the site with support through the Liverpool City Region Combined Authority for site acquisition, demolition and site clearance, and site infrastructure works. Other investment has taken current investment in the project to circa £2.1m. Considering the requirement to complete the project as agreed, and outlined in the approved Planning Permission, the project capital cost plan shows a requirement for **£556,862** of capital resources to complete the project. All infrastructure projects are designed to RIBA Stage 4. If approved, all of the capital expenditure will be spent and defrayed in the current financial year 2022/23.

### Operation and Management

Officers have assessed the most viable option to operate and manage the site and the facilities once complete, and in order to assist in our decision, an industry expert, EPR Hospitality, was engaged to provide advice on both anticipated costs and expected income considering aspects relating to the site, location, and the challenges involved in delivering such an original project such as Canalside in Bootle.

In assessing the delivery options available officers looked at 3 options which were

Option 1 - Council Direct Delivery and Management

Option 2 - Private Sector Operator

Option 3 - Council Engage an Operator

Given the short term (5 year) nature of this site the most effective management option is Option 1 which would optimise site operations yet keep it within Council control to enable it to potentially transition into the longer-term Strand repurposing proposals. Option 1 would involve the Council employing staff directly to manage the site. This will require a minimal site presence and a dedicated Events Manager for site working within the Tourism Team, and the co-ordination of other site related services.

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As detailed in the Business Case, this option will have a total budget requirement of £333,000 in year 1 through to £304,000 in year 5 (funded from the existing council resources), as detailed below

Option Year	In House Delivery					Total
	1	2	3	4	5	
	£000s	£000s	£000s	£000s	£000s	£000s
1 Rental Income	58	88	120	122	125	513
2 Events Income	1	1	1	1	1	7
<b>Total Income</b>	<b>59</b>	<b>90</b>	<b>121</b>	<b>124</b>	<b>126</b>	<b>520</b>
3 Management and Staffing	(76)	(80)	(84)	(88)	(93)	(422)
4 Marketing and Events	(130)	(133)	(135)	(138)	(141)	(677)
5 Other Site Costs	(186)	(189)	(191)	(194)	(197)	(957)
<b>Total Expenditure</b>	<b>(392)</b>	<b>(401)</b>	<b>(411)</b>	<b>(421)</b>	<b>(431)</b>	<b>(2,056)</b>
<b>Total Budget Subsidy Required*</b>	<b>(333)</b>	<b>(312)</b>	<b>(290)</b>	<b>(297)</b>	<b>(304)</b>	<b>(1,536)</b>

The detail of the Operation and Management requirement above has been informed by engaging a hospitality sector expert and considers the opportunity for Rental Income, Events Income, and balanced by the Costs of the Events programme, Management/Staffing Costs, and on-site costs which has informed the above financial requirement.

## Conclusions

The Bootle Canalside project is a key catalyst project for Bootle and an important first phase of the larger Bootle Strand transformation and wider Bootle town centre regeneration programme. It will help stimulate new uses, encourage and provide a platform for community uses and provide an established venue for events and activities throughout the year. Over 5 years, the suggested investment in this project will provide significant benefits to the local economy through:

- Direct Job Creation
- Indirect Job Creation
- Increased spend in the local economy
- Increase in local income, and
- Over £6.4m of total economic impact.

In addition to direct economic outputs, there will be significant social and public value, which includes benefits that affect the welfare and wellbeing of the population. Key social benefits which the Canalside project will deliver include providing:

- Local Jobs
- Health Benefits
- Skills Training
- Public Realm Improvements
- Healthy and resilient environment

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- Local Inclusive Growth
- Connected Communities

Details of the above benefits can be found in the Business Case document appended to this report.

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# Bootle Canalside Project DRAFT Business Case

April 2022



## CONTENTS

1. Executive Summary
2. Introduction – The Project
3. The Strategic Case
4. The Economic Case
5. The Commercial Case
6. The Financial Case
7. The Management Case

## APPENDICES

### APPENDIX 1 Site Plan



4202\_PR30\_RevA  
Proposed GA Site Plan

### APPENDIX 2 Risk Register



Canalside MU Risk  
Register March 22.xls

### APPENDIX 3 Cost Plan



Bootle\_Budget\_Cost-  
Plan\_RevC\_Client-Rev

### APPENDIX 4 Programme



Bootle Canalside-  
Delivery Programme-

### APPENDIX 5 EPR Report



EPR Report Bootle  
Canalside March22vs:

## 1. EXECUTIVE SUMMARY

### 1.1. Introduction

This Business Case has been developed for the Bootle Canalside project, a key town centre regeneration project for Bootle town centre and the first phase of Bootle Strand's transformation and repurposing programme.

This business case sets out the justification for investment of both Capital and Revenue resources into the Bootle Canalside project, as a key site in the heart of the town centre. The site location is between the Bootle Strand Shopping Centre, and the Bootle stretch of the Leeds Liverpool Canal (See location plan attached.) For the purposes of this Business Case, the use proposed is to be of a Meanwhile Use development adjacent to the Strand Shopping centre. However, it is envisaged that the principle of open space next to the canal will form a key component of any repurposing proposals for the Strand, help diversify the town retail offer, generate additional footfall, and help optimise the canal corridor location.

This project therefore forms a key catalyst project and first phase of the larger Bootle Strand transformation and wider Bootle town centre regeneration programme. It will help stimulate new uses, encourage and provide a platform for community uses and provide an established venue for events and activities throughout the year. The Business case sets out the case of investment and the management arrangements for the site operation over a 5 year period.

It is anticipated that the Bootle Canalside project will last for up to 5 years, and in August 2020 Sefton Council secured planning permission for the development which will provide a site for a range of uses, events and activities on the new outdoor public space created next to the canal. Uses proposed include a brand-new food and drink offer, street-food, market and outdoor events destination as well as a focal point and space for community uses and public events and activities to take place within the heart of the town centre, diversifying uses and generating additional footfall. The new site and temporary installations will enable it to be used flexibly for a range of programmed events and activities throughout the year supporting the local community, generating new business and employment opportunities, encouraging more active lifestyles and access to the canal corridor as well as greening and enhancing the landscaping of the area. The site will include a new pedestrian access to the canal edge, opening it up for activity and use as well as new seating and planters to enhance the area and create a sense of place.

This report sets out the justification for investment based on the Treasury Green Book '5 cases' model covering the following areas;

- **Strategic Case** - The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit. It demonstrates that the scheme provides synergy and holistic fit with other projects and programmes within the strategic portfolio by making reference to all relevant local, regional and national policies and targets.
- **Economic Case** - The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to the community, including the wider social and environmental effects and particularly benefits. It seeks to demonstrate public value which requires a wide range of realistic options to be appraised in terms of how well they meet the spending objectives and critical success factors for the scheme.



- **Financial Case** - The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required. In order to demonstrate the affordability and fundability of the preferred option requires a complete understanding of the capital, revenue and whole life costs of the scheme and of how the project/deal impacts upon the balance sheet, income and expenditure and pricing arrangements of the Council.
- **Commercial Case** - The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well structured deals between the public sector and its service providers. This section will demonstrate that the procurement routes chosen are viable and incorporated an understanding of the market place, knowledge of what is realistically achievable by the supply side and research into the procurement routes that will deliver best value to all parties.
- **Management Case** - The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the Council's strategic planning cycle. This evidences that the preferred option can be successfully delivered, and that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.

In accordance with the approved planning permission the site will provide for a

“Change of use of land for a temporary period of up to 5 years as a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of up to 12 no shipping containers for food and drink purposes, 8 no containers for storage, welfare and site management facilities, bicycle storage and toilet facilities, 2 no containers for community use (up to 22 converted containers in total), hard and soft landscaping, car parking and new pedestrian accesses from Washington Parade and Stanley Road”).

The site is in Council ownership and the project will be managed and delivered through a project management team comprising officers from across the Council (details included in Section 6 – Management Case). It is anticipated that delivery and operation will be managed as follows:

**Delivery of the capital project** will be led by the regeneration team with support from the Canalside Project Team comprising officers from relevant disciplines, and a dedicated design team, separately appointed. The Team will provide advice and support for funding, procurement, and management of design and implementation services to project handover.

**Delivery of the subsequent operational services** will be led by the Tourism and Events Team who will undertake the management of the project branding and roll out, and organising and managing an ongoing programme of events to include – food and drink festivals, artisan markets, regular weekly activities, comedy/music festivals, other specialist events ie light installations, ice rink, Christmas markets, pop up cinema, and community events.

The role of site management will be undertaken by Sefton Council but will include

- Management and maintenance of the site facilities
- Management of the site to accommodate the events programme
- Continual presence on site during opening hours in dedicated premises



- Regular maintenance of the hard and soft landscaping elements of the project in collaboration with local community organisations
- Co-ordination of necessary site security.

The capital and revenue costs of providing the above services is detailed in Section 5 - Financial Case

## **Background**

The site was formerly occupied by the Post Office counter and sorting office building, and Easirent van hire business. Being in various ownerships, in 2020 Sefton Council acquired all outstanding interests in the site and in 2021 demolished and cleared the site through a support package of circa £1.6 million from the Liverpool City Region Combined Authority Single Investment Fund, LCR Town Centre Commission, and Sefton SMBC resources. Further funding support was made available through the Welcome Back Fund, and other Council capital and revenue resources.

This Business Case seeks approval to investment of Council capital and revenue resources into the site to both complete the fully approved scheme as per the planning approval and manage and operate the site over the next 5 years. The details of this investment are detailed in Section 4 – Financial Case.

## **1.2. The Strategic Context**

The project will meet the key objectives of the Council Vision 2030 and Core Purpose. The Vision will guide long term planning - helping to stimulate growth, prosperity, set new expectation levels and focussing on what is important for Sefton. The Core Purpose provides an outline on how the Council will contribute to achieving those ambitions set out in the Vision 2030. The Council's major change programme the Framework for Change, supports the Council Vision.

The Bootle Canalside Project objectives align closely with the Council Vision 2030 and Core Purpose are seeking to achieve and will assist in delivering those outcomes. The project will also assist in meeting the objectives of our partners.

We have identified several investment objectives for the delivery of the Bootle Canalside project to secure investment into the site as follows:

### **Investment Objective 1**

Generating inclusive economic growth – by aiding economic recovery, retaining and creating new jobs.

### **Investment Objective 2**

Acting as a catalyst for Town Centre Regeneration and Culture – the project is a key component of town centre regeneration strategy in terms of place making and community cohesion and forms the first phase of the repurposing Bootle Strand.

### **Investment Objective 3**

Providing investment into Bootle town centre – the investment in meanwhile uses will provide a clear route for delivery for a more diverse town centre offer and provide a significant catalyst for the support and development of other business and educational investment proposed.

## **Investment Objective 4**

Providing a wider and more diverse range of uses - which will act as a catalyst for the wider town centre regeneration and transformation ambitions, and raise the profile of the Town Centre

## **Investment Objective 5**

Creating a sense of place and place-making – through creating a quality open space in the heart of the town centre and encouraging healthier lifestyles and improving wellbeing,

### **1.3. The Case for Change**

The main drivers for change relate to the Canalside Regeneration project being an important first phase of the wider Strand Transformational Programme, especially in the context of Covid. The first step of the process was the support for the acquisition and demolition of the site, with funding provided by the Combiner Authority and Town Centre Commission Fund.

The project is a new type of regeneration project for the Council to deliver including opportunities for community engagement in regeneration proposals. It brings in opportunities presented by the Canal – specifically education, leisure, and wellbeing, whilst lining into other potential initiatives such as EFC, the NCAS project, and strategic linkages with Partners – Hugh Baird, CRT, Business Groups.

Benefits will accrue relating to improving derelict land, providing additional direct and indirect jobs, and community related initiatives and partnerships.

### **1.4. The Economic Case**

The Economic Case determines the value for money of the investment proposed. It includes an analysis of monetised and non-monetised benefits, which are aligned to the objectives set out in the Strategic case to show alignment.

The Economic Case considers

- The options available to the Council for delivering the project
- The critical success factors in assessing the options
- The recommended option

The project appraisal process deals with 2 related elements – the capital investment necessary for the physical infrastructure works, and the investment necessary for the operations and management of the project. The Critical Success Factors identified against which evaluation was undertaken included

- Generating inclusive economic growth
- Achieving regeneration and culture benefits
- Providing investment in town centres
- Providing a wider and more diverse range of uses
- Encouraging place-making

## Infrastructure Investment

The 2 options considered related to the do-nothing/do minimum option (manage the current vacant site awaiting future development proposals), and the 'Meanwhile use' development as outlined in the planning approval.

- The analysis related to evaluation relating to
- Strengths/Weaknesses/Opportunities/Threats (SWOT) Analysis
- Identified Critical Success Factors (CSF's)
- Financial Performance.

The detailed analysis is shown in the Economic Case of the report, and the conclusion was to recommend the approval of the meanwhile use investment.

## Operational Investment

In considering the operational management implications of the project, and in consideration of how other meanwhile uses are managed, 3 options were considered which were

- Option 1 Council Direct Delivery and Management: whereby the Council employs staff directly to manage the site utilising Green Sefton and dedicated Events Manager for site working within Tourism Team, and the provision of other site related services.
- Option 2 Private Sector Operator: whereby a private sector operator is employed on a fixed term basis to manage the site. The Council tenders out the management of site to private sector operator as per the roles and responsibilities required. Operator either runs containers or tenders out, or combination of both and takes all of the revenue to cover their costs. No cost to council with some key areas guaranteed. This option would require an open procurement process.
- Option 3: Council Engage an Operator: whereby the Council engages with an organisation to act in partnership to share risk and reward. Not only would there be minimal cost to council but additionally any share in profit realised. This option would require an open tender process.

The above option evaluation was undertaken in relation to the critical success factors and the recommended approach being Option 1 Council Direct Delivery and Management

### 1.4.1. Key Findings

In addition to the above, economic analysis has been undertaken by Ekosgen identifying both direct economic impacts and wider social benefits, summarised as follows

Direct Full Time Equivalent Jobs

Annual economic output (measured by GVA)

Hectares of Cleared Land

Audience spend in the local economy

There are also wider social benefits to be delivered via the project including;

- Health Benefits
- Skills Training

- Public Realm Improvements
- Healthy and Resilient Environment
- Local Inclusive Growth
- Connected Communities

## 1.5. Commercial Case

The delivery of the project will be undertaken by the Bootle Canalside Project Team. The regeneration team will continue to lead on delivery of the site development in consultation with the Project Team and Operational Management lead for the project. This approach will ensure that the project elements are delivered to budget with the appropriate contractual conditions and that the scheme is delivered against the timetable provided. Works contracts will be procured in compliance with public sector procurement rules and the process will be managed by the experienced Sefton Council procurement team.

The operational management of the site will be undertaken by an experienced events manager who will be responsible for management of the site and the development and delivery of the events programme for the site and will be supported by the Council's Tourism and Events Team, Green Sefton and Regeneration Team.

The Project Team will also work closely with the Strand Project Team to ensure coherence and coordination of activity and transition of this temporary project into a permanent provision.

### 1.5.1. Procurement Strategy

The Council, in relation to its procurement strategy for the works and services, will act in compliance with the government agreements and the European Union (EU) Procurement Directives and the Regulations that implement them in the UK which set out the law on public procurement. The Procurement Strategy will also need to comply with the Council's Financial Regulations relating to Procurement. Prior to procurement, soft market testing would be undertaken to ensure interest in the market and to inform the specific procurement requirement. All works are expected to be within the thresholds outlined above

### 1.5.3. Potential for Risk Transfer and Potential Payment Mechanisms This should be in Management Case)

All risks have been identified and considered through a Risk Register for the development, delivery, and post completion phases, and have been assessed in relation to Design Stage, Client Side, Regulatory Matters, Legal Issues, the Procurement Stage, and Construction Stage.

Of all risks assessed, the risks which rate as Highest Risk relate to

- Securing necessary funding to complete the project
- Agreement to Operational Arrangements
- Securing Partner Legal Agreements
- Securing Client Approvals
- Ability of Contractors to deliver to timescales give, especially, external market conditions, and supply chain issues, which will have a direct on construction costs and consequential budgetary issues.

However, the above can be managed by establishing a clear timetable and a prompt commencement on approval, with clear progress monitoring.

It is important to note that the delivery and management of a Meanwhile Use project in Bootle project represents a challenge in that it is unusual for a project of this type to be driven and managed by a Local Authority, and such a project hasn't been delivered in Bootle.

## 1.6. The Financial Case

### Capital Works

Significant investment has already been undertaken at the site with support through the Liverpool City Region Combined Authority for site acquisition, demolition and site clearance, and site infrastructure works. Other investment has taken current investment in the project to c. £1.65m. Taking into account the requirement to complete the project as agreed, and outlined in the approved Planning Permission, the attached cost plan shows a requirement for £556,862 of capital resources to complete the project. All infrastructure projects are designed to RIBA Stage 4

### Operation and Management

Officers have assessed the most viable option operate and manage the site once complete and in order to assist in our decision an industry expert, EPR Hospitality, was engaged to provide advice on both anticipated costs and expected income considering aspects relating to the site, location, and the challenges involved in delivering such an original project such as Canalside in Bootle. Details the cost, income, and assumptions are outlined in the relevant section below. The conclusions confirm

- The most effective management option for the site is for a council led approach, detailed in the economic section of the report,
- This option will have a total budget subsidy requirement of £333,000 in year 1 through to £304,000 in year 5, as outlined in the Financial Case section of the report

A review of financial projections was undertaken by EPR Hospitality and their report is at Appendix 5.

## 1.7. Management Case

The project will be managed in accordance with the well-established assurance and management framework established by Sefton Council. Within this framework a programme, cost plan, risk register and evaluation process has been defined.

### 1.7.1. Project Management Arrangements

The Project, during the development and delivery phases, will be managed by the Senior Responsible Officer (SRO) and will progressed and monitored via regular review meetings which will be a detailed review of current activities and progress towards delivery of the agreed 'Outcomes', which will form the content for the Growth and Strategic Investment and programme Board reporting.

Once completed, the ongoing operation and management of the project will be managed by a Council/ approach – the details of which are to be agreed, utilising a combination of Council Resources and income generating activities.

### 1.7.2. Benefits Realisation and Risk Management

Risk Management will be undertaken with reference to the Project Risk Register and actions taken by the project Team under the Leadership of the client and Senior Responsible Officer.

### 1.7.3. Post Project Evaluation Arrangements

The project has received funding from the CA and as such a Grant Funding Agreement is in place with the Council. Contained within the GFA are requirements for monitoring and evaluation to ensure effective delivery of outputs. A project 'Monitoring and Evaluation' process is in operation which will monitor both the progress of the project delivery, and project outputs during both the delivery of the capital project, and post completion delivery of education and training outputs.

### 1.8. Recommendation

It is recommended that the project is granted approval by the Growth and Strategic Investment Board.

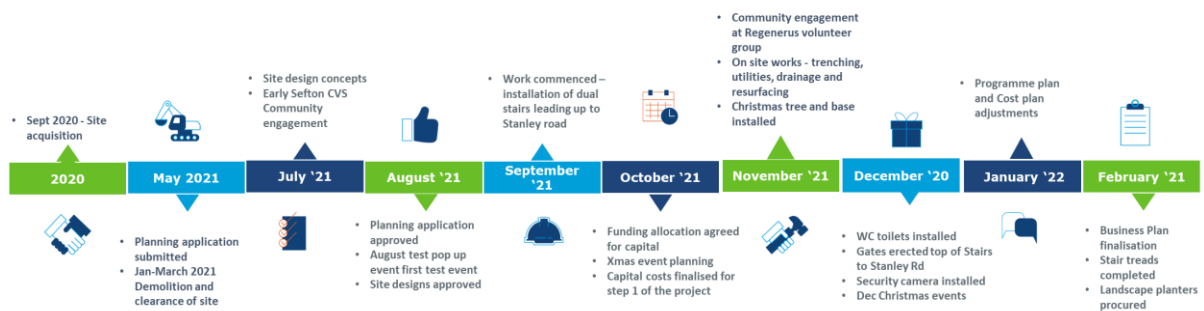
Signed:

Date:

Senior Responsible Owner Project

Project Team

### Project Timeline



## 2. INTRODUCTION

### 2.1. THE PROJECT

The Bootle Canalside project is a key town centre regeneration project for Bootle town centre and the first phase of Bootle Strand's transformation and repurposing programme.

This business case sets out the justification for investment into "Bootle Canalside", as a key site in the heart of the town centre between Bootle Strand Shopping Centre, and the Bootle stretch of the Leeds Liverpool Canal. For the purposes of this Business Case, the use proposed is to be a temporary/meanwhile use in nature, pending the permanent repurposing of the adjacent Bootle Strand Shopping centre, however it is envisaged the principle of open space next to the canal will form a key component of any repurposing proposals for the Strand, help diversify the town retail offer, generate additional footfall, and help optimise the canal corridor location.

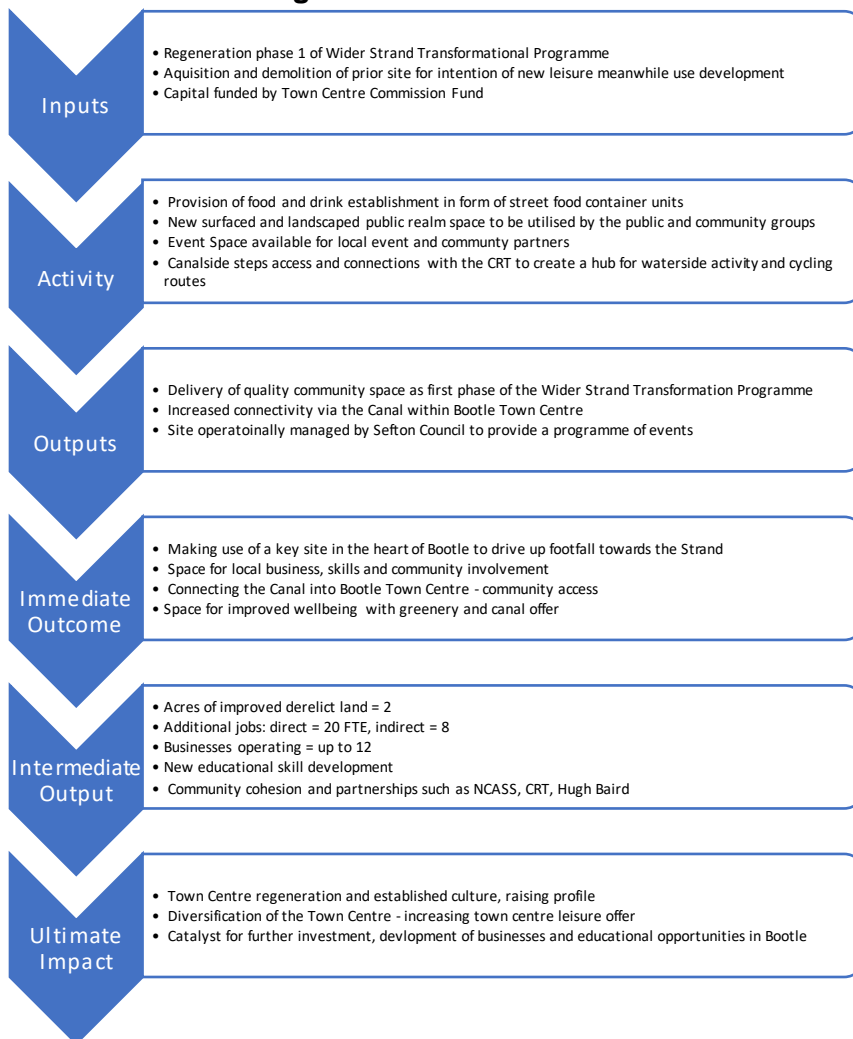
This project therefore forms a key catalyst project and first phase of the larger Bootle Strand transformation and wider Bootle town centre regeneration programme. It will help stimulate new uses, encourage and provide a platform for community uses and provide an established venue for events and activities throughout the year. This Business case sets out the case of investment and the management arrangements for the site operation over a 5 year period.

It is anticipated that the Bootle Canalside project will last for up to 5 years, and in August 2020 Sefton Council secured planning permission for the uses proposed. Bootle Canalside will provide a site for a range of uses, events and activities on the new outdoor public space created next to the canal. Uses proposed include a brand new food and drink offer, street-food, market and outdoor events destination as well as a focal point and space for community uses and public events and activities to take place within the heart of the town centre, diversifying uses and generating additional footfall. The new site and temporary installations will enable it to be used flexibly for a range of programmed events and activities throughout the year supporting the local community, generating new business and employment opportunities, encouraging more active lifestyles and access to the canal corridor as well as greening and enhancing the landscaping of the area. The site will include a new pedestrian access to the canal edge, opening it up for activity and use as well as new seating and planters to enhance the area and create a sense of place.

The project will, in accordance with the approved Planning Permission deliver a site for a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of up to 22 converted shipping containers for food and drink purposes, storage, welfare and site management facilities, bicycle storage and toilet facilities, community uses, hard and soft landscaping; car parking and new pedestrian access., The concept is shown on the Attached site plan at Appendix 1



## Bootle Canalside Logic Model:



## 2.2. THIS BUSINESS CASE

The business case has been provided in line with the Treasury Green Book 5-case business case and as such the details which follow are:

- The Strategic Case setting out the strong rationale for the development.
- The Economic Case which establishes what the project offers in terms of value for money/quantifiable as well as qualitative benefits.
- The Financial Case which sets out the cost structure of the proposal.
- The Commercial Case setting out the route to delivery and operation and the commercial structure proposed.



- The Management Case demonstrating that the project has the appropriate levels of governance in place to ensure delivery and effective operation.

### 3. THE STRATEGIC CASE

#### 3.1. Vision

Our Vision is to reshape and grow Bootle’s reputation as a fantastic place to live and visit, as well as do business. We will do this by building on the rich history in our town centre, providing new transport infrastructure, animating the waterfront, enhancing our education and health facilities, as well delivering a vibrant mix of uses in the town centre

#### 3.2. Organisational Overview

This Business Case is undertaken by Sefton MBC and relates to the justification for investment into a ‘meanwhile use’ project on a site between the Strand Shopping Centre, and the Leeds Liverpool Canal known as ‘Bootle Canalside’. For the purposes of this Business Case, the definition adopted for a meanwhile use scheme is

“Temporary use of vacant buildings or land as a space to develop local projects, until such a time that the land or building can be brought back into full commercial use”

It is anticipated that the project will last for an initial 5 years, and on this basis has therefore secured a temporary planning permission for 5 years. It will provide a site for a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of **up to** 22 converted shipping containers for food and drink purposes, storage, welfare and site management facilities, bicycle storage and toilet facilities, community uses, hard and soft landscaping; car parking and new pedestrian access.

The site is in Council ownership and the project will be managed and delivered through a project management team comprising officers from across the Council (details included in Section 6 – Management Case). Delivery and operation will be managed as follows.

**Delivery of the capital project** will be led by the regeneration team with support from property services, which includes the funding, procurement, and management of design and implementation services to project handover

**Delivery of the Operational Services** - On completion of the Capital Project the management structure for the subsequent operation and management will comprise

- Continual presence on site during opening hours in dedicated premises
- Co-ordination of the regular maintenance of the hard and soft landscaping elements of the project
- Co-ordination of required Council Services
- Managing the delivery of the Food and Beverage offer
- Organising and managing an ongoing programme of events to include – food and drink festivals, artisan markets, regular weekly activities, comedy/music festivals, other specialist events ie ice rink, christmas markets, pop up cinema.

- Management and Maintenance of the site to accommodate the events programme

The capital and revenue costs of providing the above services is detailed in Section 5 - The Financial Case

The case for investment is being made through the Regeneration Team to the Growth and Strategic Investment Programme.

The location of the investment will be into the site at Bootle L20 3LQ (see attached plan at Appendix 1). The site was formerly occupied by a Post Office counter and sorting office building, and an Easirent van hire business. The site acquisition and site clearance work and infrastructure works to date has been funded through a support package of circa £1.65 million from the Liverpool City Region Combined Authority Single Investment Fund. The site has also benefitted from investment from the Government's Welcome Back Fund.

### 3.3. Business Strategies

The following documents provide the key strategic context for capital investment into developing the Bootle Canalside project.

- Sefton MBC Vision 2030 and Core Purpose
- Sefton Economic Strategy Action Plan – December 2019
- Liverpool City Region Combined Authority (LCRCA) - Vision and Priorities
- Liverpool City Region Industrial Strategy – Emerging Strategic Priorities August 2019
- Bootle Town Centre Investment Framework – August 2016

### 3.4. Sefton Metropolitan Borough Council Vision 2030 and Core Purpose

Sefton Council has developed a new and exciting vision for the future of the borough through working closely with partners, businesses, private sector organisations, the voluntary, community and faith sectors and the wider Sefton community. The aim behind the work is to understand and focus on what is important for the borough and its communities in the future. As a result, Vision 2030 was agreed in November 2016, together with the Vision Outcomes Framework and Sefton Council's Core Purpose.

The **Vision** will guide long term planning - helping to stimulate growth, prosperity, set new expectation levels and focussing on what is important for Sefton. The **Core Purpose** provides an outline on how the Council will contribute to achieving those ambitions set out in the Vision 2030. The Council's major change programme the Framework for Change supports the Council Vision.

Vision 2030 states that Sefton will become a confident and connected borough through being;

- Together a stronger community
- A Borough for everyone
- A Clean green beautiful Borough
- Living working and having fun

- On the Move
- Visit explore and enjoy
- Ready for the Future
- Open for Business

The Council's core purpose which sets out its role in delivering the 2030 Vision will be to;

**Protect the most vulnerable:** i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them. For those who are the most vulnerable we will have a helping role to play, we will challenge others to ensure we all protect the most vulnerable and where we need to, we will intervene to help improve lives

**Facilitate confident and resilient communities:** The Council will be less about doing things to and for residents and communities and more about creating the capacity and motivation for people to get involved, do it for themselves and help one another. We will create an environment in which residents are less reliant on public sector support and which have well developed and effective social support

**Commission, broker and provide core services:** The Council will directly deliver fewer services but will act as a broker and commissioner of services which meet the defined needs of communities, are person-centred and localised where possible. We will deliver services which can't be duplicated elsewhere or where we add value.

**Place-leadership and influencer:** making sure what we and what others do are in the best interests of Sefton and its residents and has a contributing role to the 2030 vision of the borough. This includes strong leadership and influencing partner organisations to work towards common goals and building pride in the borough.

**Drivers of change and reform:** The Council will play a key role in leading change and reform to improve outcomes for Sefton residents and continuously improve the borough

**Facilitate sustainable economic prosperity:** that is, people having the level of money they need to take care of themselves and their family; creating the conditions where relatively low unemployment and high income prevail, leading to high purchasing power; and having enough money to invest in infrastructure.

**Generate income for social reinvestment:** The Council will develop a commercial nature and look to what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose.

**Cleaner and Greener:** The Council will work with others to maintain Sefton's natural beauty and ensure that its many assets provide a contribution to Sefton's economy, peoples wellbeing and the achievement of the 2030 Vision.

The Bootle Canalside project objectives align closely with what the Council Vision 2030 and Core Purpose are seeking to achieve and will assist in delivering those outcomes.

## 3.5. Other Organisational Strategies

### 3.5.1. Sefton Economic Strategy Action Plan - November 2019

The Economic Strategy Action Plan is a working document, the progress and performance of which will be reviewed at key stages in 2020 and beyond, enabling the Council to share its findings and progress, with partners, businesses and communities.

There are three foundation pillars to the Strategy

**Places** - giving priority to new housing and commercial development, the regeneration and revitalization of Sefton's towns and broader investment in place-making and low carbon activities

**Productivity** - recognizing that the priority of creating more jobs, more businesses and business growth in Sefton should be balanced with action to improve the quality of work and how much it pays

**People** - putting Sefton's residents at the heart of the economic framework and equipping them with the skills and confidence needed to participate in a tough labour market and make a positive contribution to Sefton's economy

The Places, Productivity and People pillars encompass the following thematic areas for action:

- Development and Infrastructure
- Business Growth and Enterprise
- Education and Employment
- Reconfiguring public services
- Promoting Sefton
- Inward Investment
- Generating new sources of finance

The Vision for the Bootle Canalside project relates to several of the above thematic areas, but more specifically to the Development and Infrastructure, Business Growth and Enterprise, and Inward Investment themes.

### 3.5.2. The Liverpool City Region Combined Authority Corporate Plan 2018-20,

The LCRCA Vision Statement comments that;

'The Combined Authority uses the policy making and investment powers our game-changing devolution agreement brought, to make the city region more prosperous, productive, sustainable and inclusive'.

The Vision is supported by 8 Strategic priorities;

Priority One: A dynamic, prosperous, inclusive economy which benefits every part of the city region

Priority Two: Jobs, skills and career opportunities for all

Priority Three: A high speed digital network that connects the whole region to the world

Priority Four: A transport network that connects people, goods and business

Priority Five: Good quality and affordable housing

Priority Six: A greener and cleaner place to live

Priority Seven: A world class culture and visitor experience

Priority Eight: More decisions taken locally

Relating to the above strategic priorities, the Bootle Canalside project relates more specifically to Priorities One, Two, and Seven.

### **3.5.3. Liverpool City Region Local Industrial Strategy – Strategic Investment Fund Skills Capital and Funding prospectus**

In 2016, the Local Enterprise Partnership, acting as a link to the region’s private sector, published ‘Building our Future,’ a growth strategy for the City Region. This sets out the ambition for driving economic growth in the City Region based on three pillars:

- Productivity – focusing on businesses where the opportunity for growth is greatest
- People – ensuring residents and workers are equipped with the right skills
- Place – making the most of the City Region’s physical and cultural assets and infrastructure

This Investment Strategy builds on the 2016 growth strategy, the metro mayor’s election manifesto and the City Region’s devolution arrangements and is designed to provide a sound basis for taking investment decisions. It foreshadows a longer-term strategy to be built on the City Region’s Local Industrial Strategy, due to be developed. This Investment Strategy will be updated to reflect the Local Industrial Strategy

### **3.5.4. The Bootle Town Centre Investment Framework**

This framework:

- Identified the Strand as a key priority for the town centre regeneration.
- Identified the need to diversify town centre offer and create a sense of place.
- Identified the need to improve and provide quality open space and public realm in the area.

The work that followed identified six priorities for Bootle Town Centre:

- To develop Bootle’s cultural and environmental assets;
- To develop Bootle as a destination for business and social enterprise;
- To develop an accessible and connected Town Centre;
- To put in place a ‘whole’ town centre approach;
- Retail to remain a core function of Bootle Town Centre, including provision of a strengthened leisure, food and beverage offering;
- The town centre should develop its role as a place for modern services and accommodation that the community can depend on to live, grow and achieve;

### **3.6. Investment Objectives**

We have identified several project investment objectives for the delivery of the Bootle Canalside project to secure investment into the site as follows:

#### Objective 1

Generating inclusive economic growth – by aiding economic recovery, retaining and creating new jobs, which offers a range of uses and services, and is digitally enabled

#### Objective 2

Regeneration and culture – the project will provide phase 1 regeneration benefits to the Strand, which is a key strategic investment project within the wider Bootle regeneration framework in terms of the town centre offer, sense of place and community cohesion.

### Objective 3

Providing investment in town centres – the investment in meanwhile uses will provide a clear route for delivery for a more diverse town centre offer and provide a significant catalyst for the support and development of other business and educational investment proposed in Bootle town centre.

### Objective 4

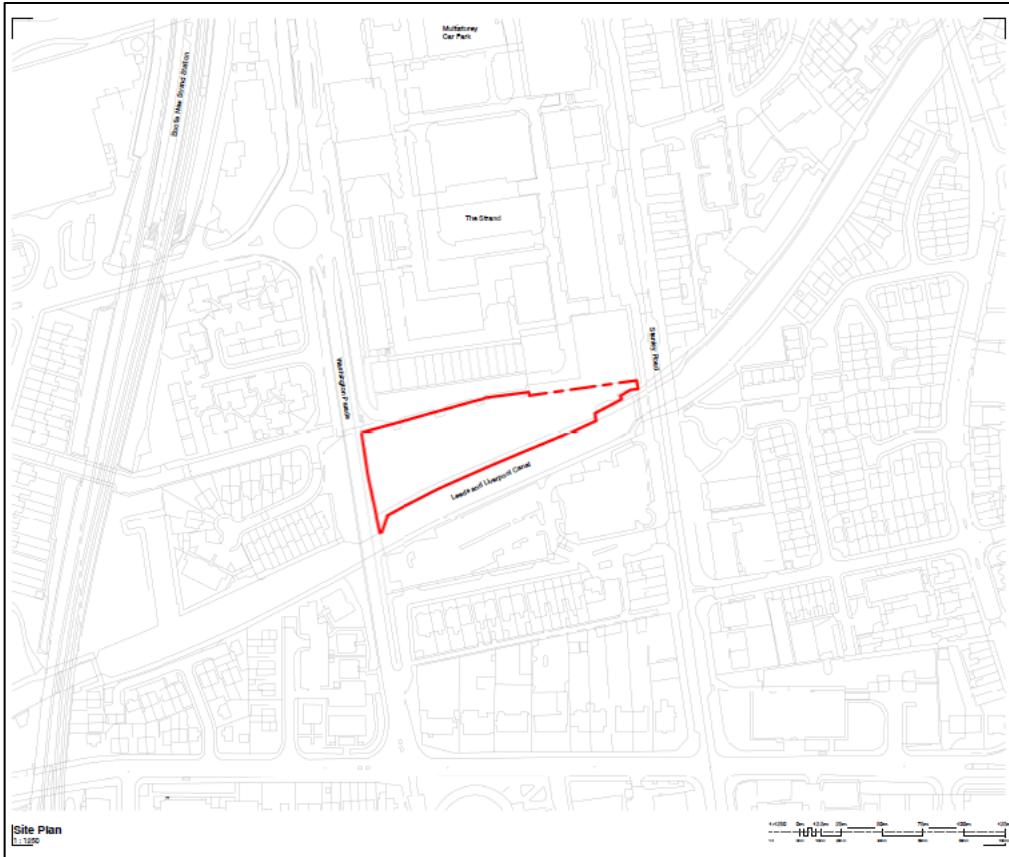
Providing a wider and more diverse range of uses - which will act as a catalyst for the wider centre repurposing and town centre regeneration ambitions, and raise the profile of the Town Centre

### Objective 5

Encouraging place-making – through creating a quality open space which will encourage healthier lifestyles and improve wellbeing,

## **3.7. Existing Arrangements**

Sefton Council now own the site identified for the delivery of the Bootle Canalside project (see Location Plan below) and will be managing the ongoing existing and potential uses on the site, as detailed elsewhere in this report.



**3.8. Main Risks**

The main risks associated with the delivery of the project are summarised below together with their counter measures. In addition, a Project Risk Register has been produced and will be maintained and updated as part of the project delivery and programme management arrangements – see Risk Register at Appendix 2

Main Risks and Counter Measures	Counter Measures
---------------------------------	------------------



Design and Client Side	
Timescales for ongoing design process is delayed leading to overall delay to key project activities	Agreeing programme with design consultants
No interested operators to take up and rent facilities – significant delay and loss of funding	Early engagement and branding
Approval from key partners not secured – will delay project implementation	Early engagement with all Partners as part of design process
Delays to Operator procurement process – delay to project implementation	Early engagement and branding
Site costs come in over budget – delay to project implementation	Early procurement of services and reporting to Council
Lack of Public Consultation – project not fit for purpose and causes project delays	Early public engagement event
Programme of Events not complete to align with timescales – delay and reputational damage	Early engagement with event providers to agree programmes
Timescales extended - conflict with member aspirations and requirements of funding approvals.	Early progress reporting to funders
Delays to brand Implementation – limited awareness and negative effect on events plan	Branding process to be engaged
Regulatory Matters	
Planning permission conditions not discharged	Engagement with Development Management Team
Other Client Approvals not secured	Early engagement with Council officers
Operations do not satisfy due diligence requirements	Early advice from officers involved in regulatory matters.



<p><b>Legal and Procurement</b></p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">Partner Legal Agreements not secured – delays to programme</td> <td rowspan="3" style="width: 40%; vertical-align: top;"> <p>Early engagement with legal colleagues</p> <p>Ensure relevant procurement procedures followed</p> </td> </tr> <tr> <td>Delays in selection of preferred contractors/suppliers – programme delay</td> </tr> <tr> <td> </td> </tr> </table>	Partner Legal Agreements not secured – delays to programme	<p>Early engagement with legal colleagues</p> <p>Ensure relevant procurement procedures followed</p>	Delays in selection of preferred contractors/suppliers – programme delay			
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<p><b>Construction</b></p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">Infrastructure requirement cannot be implemented leading to project delays</td> <td rowspan="5" style="width: 40%; vertical-align: top;"> <p>Early procurement route and due diligence completed</p> <p>Agreed programme of actions</p> <p>Close monitoring of programme changes and cost movements</p> <p>Programme monitoring and early reporting with value engineering if appropriate</p> </td> </tr> <tr> <td>Key aspects not delivered on time to allow other elements to proceed – lack of co-ordination</td> </tr> <tr> <td>Deadlines not met causing reputational damage</td> </tr> <tr> <td>Key items unable to be delivered – compromising effectiveness of overall scheme</td> </tr> <tr> <td> </td> </tr> </table>	Infrastructure requirement cannot be implemented leading to project delays	<p>Early procurement route and due diligence completed</p> <p>Agreed programme of actions</p> <p>Close monitoring of programme changes and cost movements</p> <p>Programme monitoring and early reporting with value engineering if appropriate</p>	Key aspects not delivered on time to allow other elements to proceed – lack of co-ordination	Deadlines not met causing reputational damage	Key items unable to be delivered – compromising effectiveness of overall scheme	
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Key aspects not delivered on time to allow other elements to proceed – lack of co-ordination						
Deadlines not met causing reputational damage						
Key items unable to be delivered – compromising effectiveness of overall scheme						

**3.9. Constraints**

Refer to above and Project Risk Register.

**3.10. Dependencies**

The project is subject to the following key dependencies that will be carefully monitored and managed throughout the lifespan of the scheme. External influences will relate to

- Political – changes in local/national political priorities
- Economic – changes in the local/national economic environment
- Financial – changes to Council / Combined Authority budgetary priorities
- Social - changes in end user requirements
- Construction – changes to construction cost and programme timescales

## 4. THE ECONOMIC CASE

The Economic Case determines the value for money of the investment proposed. It includes an analysis of monetised and non-monetised benefits. Benefits and costs should be aligned to the objectives set out in the Strategic case to show alignment.

Net present social value and benefit-cost ratios should not be treated as a full representation of value for money. Rather, they should be used to summarise the benefits and costs that can be readily monetised or quantified. There may be wider strategic or social value to an intervention which may not be easily assimilated into calculations.

The Economic Case considers

- The options available to the Council for delivering the project
- The critical success factors in assessing the options
- The recommended option

### 4.2. Context

There are clear specific and wider regeneration benefits to investment into the Bootle Canalside site, which in summary are

- **Investment** – attracting new public and private investment into the site
- **Diversity of Uses** – attracting and introducing a vibrant new mix of uses into the site which will include a mix of public, private and community uses onto the site
- **Leisure** – animating the canal side and incorporating the canal into the wider canal side site to create significant leisure related opportunities
- **Community** – providing the opportunity to incorporate community engagement and ideas into the design and operation of the development
- **Education and Health** – the use of the site facilities allied to the benefits created by the canal will provide significant opportunity for education and health and wellbeing opportunities.
- **Social Value** – by delivering the above, significant social value can be achieved

### 4.3. Critical Success Factors

In developing and assessing the options available to the Council to deliver the target improvements and changes detailed in the Strategic Case, several critical success factors have been identified.

### 4.4. Methodology

These critical success factors have been used to undertake a qualitative and quantitative options appraisal to identify the most appropriate operating and delivery model. This approach is in line with Government's guidance for informed decision making; identifying the options available; designing relevant evaluation criteria; and analysing the monetary and non-monetary costs and benefits of each option to identify a recommendation.

## Identified Evaluation Criteria

The critical success factors (CSF's) developed for assessing the different options are listed below. These have been informed by discussions with key stakeholders and each option has been assessed in terms of its likely effectiveness in terms of the level to which it would meet the following CSF's

- Generating inclusive economic growth
- Achieving regeneration and culture benefits
- Providing investment in town centres
- Providing a wider and more diverse range of uses
- Encouraging place-making

As outlined above, the Canalside Project requires the delivery of both the (1) Capital Works to deliver the project infrastructure, and the (2) Management Structure and ongoing Operations required to manage and deliver the project objectives over the next 5 years.

This section deals with the options for the **physical regeneration works** to the site.

### Option 1 – The 'do nothing/do minimum' option

#### Scope:

As previously mentioned in this report, the Bootle Canalside site was purchased by Sefton Council in October 2020 with funding support from the Liverpool City Region Combined Authority. The site was able to be acquired and cleared, ready for future development opportunities in association with the potential for the repurposing of the Strand Shopping Centre which is also owned by Sefton Council. This option would leave the cleared site as existing for potential future development proposals in conjunction with the repurposing of the Strand Shopping centre. This option would require the ongoing management and maintenance of the vacant site pending development. Any ongoing management and maintenance regime will require ongoing revenue support from the Council. At present, no specific additional funding has been identified to manage and maintain the site which would be a requirement pending any future development.

### Option 2 – Development of a Meanwhile Use development at the site

#### Scope:

The acquisition of this site is an important milestone for Sefton as this key waterside location provides the opportunity to deliver a meanwhile use project which will deliver a significant economic and leisure offer to the town centre and deliver much needed facilities for the resident and business communities. This will assist in transforming the perception of the area by attracting a new mix of uses which will increase the current offer and visitor numbers to Bootle including access to public transport and proximity to the Strand Shopping Centre. The proposed investment would negate the need for continued investment into a deteriorating site at the heart of the town centre.

## Assessment of Options

In order to identify the effectiveness of the options, the tables below provide the details of the assessment of the 2 options identified in terms of their relative strengths and weaknesses in delivering the desired project. The options have been assessed via

- Strengths/Weaknesses/Opportunities/Threats (SWOT) Analysis
- Identified Critical Success Factors (CSF's)
- Financial Performance.

## 4.5. SWOT Analysis

SWOT Analysis is instrumental in enabling strategy formulation and selection. It is best when used as a guide, and not as a prescription. However, it enables us to build on the project, correct weaknesses and protect against internal weaknesses and external threats.

SWOT Analysis is important in that it will assist us in.

- A. Building project strengths.
- B. Overcome project weaknesses.
- C. Maximize project opportunities, and
- D. Overcome project threats.

It will also provide information that helps in best utilisation of the project's resources and capabilities to allow the implementation of an effective project.

Information referred to in the Options below is contained in the Meanwhile Uses Feasibility Study undertaken on behalf of the Council by Jones URC in September 2020.

### **Option 1 - the do nothing, do minimum scenario – no development or operational improvements to the site**

<b>Strengths</b>	<b>Weaknesses</b>
Minimal requirement for major capital investment into the site	No capital investment into key facilities on the site
Cleared site will be available for any major development opportunities	Maintenance is unplanned
Site is in Council ownership	Development solution driven by external factors
	Need for clearance of former hardstanding and uses to enable development
<b>Opportunities</b>	<b>Threats</b>
Potential for expansion of development investment in association with Strand Shopping Centre repurposing project	Continued depreciation of a council owned asset
Canalside site location attractive to	Will act as a disincentive to town centre

potential developers	investment
	Loss of opportunity to link into other canal related activities

### Option 2 - Development of a Meanwhile Use project at the site

Strengths	Weaknesses
Potential to change perception of Bootle - meanwhile use schemes have been proven to deliver opportunities for independent retail leisure operators helping to change the perception in areas where they have been successfully delivered	At 1.8 acres, the site is larger than other meanwhile use projects, consequently operators or partners will want to commence on a phased scheme rather than taking the site in its entirety. This will mean that for the short term, elements of the site may have to be hoarded and managed at expense to the Council,
Bootle Town Centre Investment Framework - The emerging vision contains a number of key development and regeneration aims relating to Bootle town centre. These include a more diversified offer within the town centre, delivery of a wider mix of uses including more cultural attractions and a much improved leisure offer. Also maximising the potential of the canal setting, improved public space strengthening the areas appeal to visitors as well as local residents, employees and students	The feasibility study evidence contained in the Jones URC report highlights that meanwhile use operators prefer edge of city areas rather than in the centre of Towns.
Site Size – The site size of 1.8 acres allows for the phased delivery of a major meanwhile use scheme where operations can grow according to occupier and visitor demand	When delivering a meanwhile use scheme, care has to be taken not to isolate the existing residents and business community. If the meanwhile use scheme is seen as gentrifying an area or taking business away from existing local retailers then this can polarise the existing community who will not support project delivery
Area Demographics – The success of a retail site is dependent on footfall and the sites proximity to the Strand shopping centre, public transport links and large existing workforce and student population	

<p>is appealing to meanwhile use operators. The Strand has an average footfall of in excess of 200 000 per annum prior to implementation of the Town Centre Investment Framework, the amount of potential passing trade is a key selling point to prospective meanwhile use operators</p>	
<p>Lack of competition – A key theme emerging from existing public consultation events is the current lack of diversified leisure offer in the town centre This current weakness in the town centre offer would be seen as an opportunity for a meanwhile use project which would be able to capitalise on the areas inability to satisfy the leisure demands of the local workforce, residents and student population</p>	
<p style="text-align: center;"><b>Opportunities</b></p>	<p style="text-align: center;"><b>Threats</b></p>
<p>Site Condition and Size – The site is well located for delivery of a meanwhile use scheme, and the size of the site means the site can accommodate a larger meanwhile use operator when used in its entirety.</p>	<p>Ongoing investment will be required by Sefton Council - evidence demonstrates that delivery of meanwhile use is not a traditional property transaction as it often involves investment of significant up front resources by the deliverer in order to get the project up and running It is clear that Sefton will have to allocate considerable financial and human resources to support the delivery of a meanwhile use scheme</p>
<p>Case study evidence shows that community led meanwhile use projects being delivered in town centre locations would be supported – although this requires continued involvement by local authorities</p>	<p>Financial Return – Whilst meanwhile use schemes have proven to assist in changing the perception of an area, delivering placemaking use and showcasing local talent, there is a lack of evidence that demonstrates robust financial return to landowners</p>
<p>Case study evidence demonstrates that extensive community engagement is required before finalising any site proposals Extensive engagement to understand what the local community want to see delivered, ensures that scheme</p>	<p>When delivering a meanwhile use scheme, care has to be taken not isolate the existing residents and business community If the meanwhile use scheme is seen as gentrifying an area or taking business away from existing local retailers then this</p>

delivery complements rather than detracts from delivering the long -term vision	can polarise the existing community who will not support project delivery
By understanding the local community needs at the project outset will help to gain project support through the design and planning process. Conducting a series of public consultation events throughout the pre planning and delivery stages of the project will help to generate community cohesion rather than polarise the existing community by delivering a scheme that the local community don't want or will not use	
This offers the opportunity for Sefton to develop relationships with local businesses, educational facilities to work together to deliver an innovative meanwhile use scheme to ensure buy in and support from the local business community	
Given that traditional property costs are often a barrier to entry from new business start-ups, meanwhile use schemes are proven to be the catalyst for the creation of new businesses and local start-up companies	
With a significant local community, local workforce and students there is a captive audience for operators who wish to provide facilities to those workers and students who wish to spend money in Bootle town centre	

**Overall / Initial Assessment: Preferred option is Option 2**

**Evaluation based on identified Critical Success Factors**

Options	1 – Do Nothing/Minimum	2 – Meanwhile Use Development
<b>CSF's</b>		
Generating inclusive economic growth	Minimum intervention will not assist in achieving economic growth	Investment into the site will create jobs and investment for all sectors of the community.
Achieving regeneration and culture benefits	Minimum intervention will not generate short term regeneration benefits.	Investment into meanwhile uses will create regeneration benefits and introduce a 'meanwhile use' culture into Bootle
Providing investment in town centres	Minimum intervention will not lead to short term investment although the site would be available for investment subject to future demand.	Investment into the site would act as a catalyst to further investment into the Strand and wider Town Centre
Providing a wider and more diverse range of uses	Minimum intervention will not deliver short term diversity of uses.	Investment will encourage a wide range of meanwhile uses on the site
Encouraging place-making	Minimum intervention will not deliver place making	Investment will help to deliver the creation of a meanwhile 'hub' which will create a wider range of offer within the Town Centre.
<b>Summary</b>	<b>Meets few CSF's</b>	<b>Meets all CSF's</b>

### Summary of the assessment of options in terms of financial performance

The tables below summarise for each of the options the forecast financial performance of operations (Income and Expenditure') and the overall financial benefits in terms of surplus and deficit projections over the MTFP timescales.

In summary, performance of each option was assigned a relative weighting against each of the options from 1-3 as follows

Assessment Criteria	Option 1	Option 2
SWOT Analysis	1	2



Critical Success Factors	1	2
Financial Performance		
Economic Benefits	1	2
Totals	3	6

The above concludes that Option 2, development for a Meanwhile Use is the preferred option.

#### 4.6. Management and delivery of the Operational Requirements

##### **SITE OPERATION AND MANAGEMENT**

In order to inform the approach to Bootle Canalside a study was undertaken in 2020 which explored the feasibility of delivering meanwhile uses on Bootle Canalside, pending the longer-term development and repurposing of Bootle Strand and as a key part of Sefton’s Vision for Bootle.

The acquisition of this site in 2020 was an important milestone for Sefton as its key waterside location, access to public transport and proximity to Strand Shopping Centre, also acquired by the Council in 2017, could help facilitate the delivery of significant change and transformation of this wider on the site. Bootle Strand and Canalside could help transform the perception of the area by attracting a mix of uses, events and activities, significantly increasing the current offer and visitor numbers to Bootle.

The proposal for the Strand will be a long term project and in the interim there is opportunity to deliver meanwhile uses on this site to deliver, in the short term, much needed facilities for the local residents and business community. The feasibility report outlined a series of potential options to Sefton relating to the delivery of meanwhile uses on the site. It provides an overview of the methods of delivering meanwhile uses, along with description of a number of case studies of meanwhile use projects in the United Kingdom.

The report outlined key management considerations that need to be considered and related observations about the site most notably the potential to deliver a new visitor attraction by creating visitor based canalside activities in or around the site. Following this report further Soft Market Testing was undertaken with meanwhile use operators, facilitators and external agents acting on behalf of meanwhile use operators to help inform the options for delivery.

The report highlighted that this is an important strategic site due to its canalside location, close proximity to public transport links, and emerging vision for the area set out in the Bootle investment Framework. It concluded that there is potential to deliver a wide variety of meanwhile uses at the site including community focused water based activities, increasing visitor numbers and providing amenity for the existing wider town centre users. However, the relative immaturity of the meanwhile use market and lack of operators operating in the North West, means this could take time to establish and commitment to invest resources and develop the concept.

Delivering a successful meanwhile uses on the site could deliver, in the short term, a number of key uses that will assist in increasing what’s going on in and around Bootle.

Whilst there is significant potential to deliver placemaking activities on the site, the positive outcomes will be in the form of placemaking and changes in perception rather than generation of any significant financial return.

Consideration has therefore been given to the different methods of delivery of meanwhile uses including the following case studies :

- Lease to an Operator eg Boypark/Mayfield
- Lease to Private Sector Developer eg Hatch ,Manchester
- Lease to Community Collective/CIC
- Partnership with Facilitator – eg Meanwhile Space /Central Parade
- Partnership with Collaborator eg Baltic Creative /Abbey Gardens
- Partnership with Non Placemaking Operator eg NCP

The feasibility study concluded that many of these models would not suit Bootle Canalside as they were required substantial subsidy or would not be workable in this location due to the short term nature of the use (5 years). As a consequence, Commercial operators would expect a longer period for establishment and return on investment and this would limit the longer term transformation of the area that is emerging.

## DELIVERY MODEL OPTIONS APPRAISAL

In considering the management options for the site, reference was made to the models previously referred to, and the Council employed EPR Hospitality to undertake a review of the management and operational cost information, and provide financial projections based on assumed covers and average spends, in conjunction with the Sefton project team.

As part of the discussion into the best way to manage the Canalside site, 3 options were considered. The Option Tables below outline the SWOT (Strengths / Weaknesses / Opportunities / Threats) associated with each of the Options with a recommended approach.

OPTION 1 Council Direct Delivery and Management	
<b>The Council employs staff directly to manage the site. This will require a minimal site presence and a dedicated Events Manager for site working within the Tourism Team, and the co-ordination of other site related services.</b>	
Strengths and Opportunities	Weakness and Risks
<p>The council would employ staff directly and would cover the subsequent costs</p> <p>The council would keep several containers for community use and tender out the other opportunities privately. Depending on look and volume of use they could be used for other uses at certain times providing income to council.</p>	<p>This carries more risk but also potentially more opportunities for reward.</p> <p>This would likely produce a an overall loss against total operational costs – however, this could be mitigated by charging for entry to events/seeking sponsorship for events and activities.</p>

<p><b>Conclusion:</b> Given short term nature of this site this option would optimise site yet keep it within Council control to enable it to transition into the longer-term Strand repurposing proposals.</p>	

<b>OPTION 2 : Private Sector Operator</b>	
<p>A private sector operator is employed on a fixed term basis to manage the site. The Council tenders out the management of site to private sector operator as per the roles and responsibilities required. Operator either runs containers or tenders out, or combination of both and takes all of the revenue to cover their costs. No cost to council with some key areas guaranteed. This would require an open procurement process.</p>	
<b>Strengths and Opportunities</b>	<b>Weaknesses and Risks</b>
<p>Operator would agree that the Council/Community retain use of certain areas</p> <p>Operator agrees some social value outcomes/community uses</p> <p>Operational management minimal cost to Council</p>	<p>Revenue generated would go to operator .</p> <p>Lease longer than 5 years would be required to make commercial investment worthwhile and get a return.</p> <p>Use and control of site through 3<sup>rd</sup> Party limiting options for alternative uses</p> <p>Cost to Council - likely need for subsidy/attractive lease terms or equity interest.</p>
<p><b>Conclusion:</b> Operator may require longer term agreement with the Council to ensure financial viability which may conflict with the timescales for delivery of the main Strand repurposing project. There could also be the loss of social value aspects in pursuing this option.</p>	

<b>OPTION 3: Council Engage an Operator</b>	
<p>The Council engages with an organisation to act in partnership to share risk and reward. Not only would there be minimal cost to council but additionally any share in profit realised. This option would require an open tender process.</p>	
<b>Strengths and Opportunities</b>	<b>Weaknesses and Risks</b>
<p>Limited operational management cost to Council</p> <p>Knowledge of the sectors required to successfully manage site and deliver outputs</p>	<p>Limited or no profit or income generation</p> <p>Controlled through a third party</p> <p>Subsidy may be needed to optimise uses</p>
<p><b>Conclusion:</b> the key benefits to this option would be the ability to engage on a flexible contract and ensure social value aspirations are captured, but also the benefit of existing</p>	

knowledge in this sector.

In addition to the above the above options have also been scored against the Critical Success Factors set out in the strategic case:

Critical Success Factor	Total	Option 1 Council led	Option 2 Private Sector	Option 3 Partnership
<b>Weighting</b>				
<b>Generating inclusive economic growth</b>	Y	Y 3	N 1	Y 3
<b>Achieving regeneration and culture benefits</b>	Y	Y 3	Y 3	Y 3
<b>Providing investment in town centre</b>	Y	Y 3	N 1	N 1
<b>Providing a wider and more diverse range of uses</b>	Y	Y 3	Y 2	Y 2
<b>Encouraging place-making</b>	Y	Y 3	Y 3	Y 3
<b>Total</b>		<b>15</b>	<b>10</b>	<b>12</b>

In conclusion, it is recommended that the Option 1 'Council Direct Delivery' and Management is adopted as the way forward.

## OPERATIONAL AND MANAGEMENT CONSIDERATIONS

As part of developing the preferred Option 1 for this site, the operational management arrangements for the site have been considered.

These include:

1. How the site will be used and operated.
2. Other users of the site
3. Who will be responsible for managing the site during events and at other times,
4. How the site will be maintained over the 5 year period,
5. The site interface with adjacent occupiers (businesses/residents) during events
6. Security and site safety

### 4.7. Assessment of effectiveness of delivery - overall summary

Considering all the above options collectively in terms of their effectiveness in delivering the primary objectives generating economic growth, achieving regeneration benefits, providing town centre investment, providing a diverse range of uses, and encouraging place making, the overall assessment has produced the following conclusions:

**Development Option 1 – Do minimum** whilst remaining in Council control and ownership, this option is unlikely to deliver the short/medium term future for the site and will not deliver the anticipated economic or social value outputs.

**Development Option 2 – Meanwhile Use Development** with current investment of the CA, and further investment from the Council, this is the only option which would deliver the viable and sustainable short/medium term future for the site and secure the substantial economic and social outputs anticipated.

Therefore, the option that has emerged with the highest level of assessment from this process is Option 2 - Meanwhile Use Development

**In consideration of the Options for the Operation and Management Scenarios,**

OPTION 1 Council Direct Delivery and Management

OPTION 2 Private Sector Operator

OPTION 3 Council Engage an Operator

the option that has emerged with the highest level of assessment from this process is **Option 1**

#### 4.8. Economic Benefits

##### QUANTIFIABLE ECONOMIC BENEFITS

A report has been produced by Ekosgen Economic Development Consultancy (March 2022) to demonstrate the economic case for investment into the Canalside project, outlining the breadth and scale of benefits that are expected to be unlocked by the proposals and considering the value for money and return on investment that will be generated over the expected five-year lifetime of the project. The analysis is based on a capital investment of £500,000 for works required for the temporary use of the site for a period of up to 5 years, and an ongoing operating cost of £200,000 per annum for the operational five-year period.

The report demonstrates the economic case for investment, outlining the breadth and scale of benefits that are expected to be unlocked by the proposals and considering the value for money and return on investment that will be generated over the expected five-year lifetime of the project

In consideration of the details of the project and the key investment objectives, the report presents a high-level assessment of the gross economic benefits to be generated by the Bootle Canalside project. As the proposals are further developed it will be possible to refine this analysis and potentially monetise some of the additional wider benefits.

## Direct economic impacts

The development proposition will help to support direct jobs accommodated within the town centre.

The proposals include ten food and beverage units which will provide new opportunities for local businesses and residents. The ten units are estimated to accommodate around 20 full time equivalent (FTE) jobs, generating **annual economic output (measured by GVA) of £591,000** based on the average GVA per FTE for Liverpool City Region for the accommodation and food service sector<sup>1</sup>. This amounts to £3.0m over five years of operation.

There will also be additional temporary jobs associated with the programme of events and community uses which will be determined by the scale of activity and additional jobs associated with the operation of the meanwhile space itself (e.g. operational jobs and security). However, it is anticipated that many roles will be secured through contractors, as and when required, rather than representing full-time permanent roles. The impacts generated by the programme of events attracting visitors and additional expenditure to the town centre are explored in the visitor economy section below.

## Indirect and induced impacts

Induced and indirect impacts associated with the proposition will arise from expenditure on wages and suppliers, which is then recirculated in the economy. This will support additional jobs and GVA, a proportion of which will be captured in the local economy providing further opportunities for local residents and businesses.

Based on the direct jobs supported, the indirect and induced impacts are estimated to **support 7.6 jobs (FTE) and GVA of £224,000 per annum in the local economy**. This would amount to £1.1m over five years of operation and has been calculated by applying the HCA Additionality Guidance local area multipliers for recreation.

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<sup>1</sup> Using ONS BRES and Regional Accounts datasets

## Visitor economy benefits

The programme of events will help to improve the leisure and cultural offer, attract visitors and increase footfall and dwell time. While the exact programme of events and audience profile remains to be determined, a potential calendar of events with forecast covers per event has been provided within an EPR Hospitality Report. This suggests 24 event days throughout the year with 44,500 covers in total, including eight largescale event days with 26,000 covers. For the purpose of this assessment forecast covers per event have been used as a proxy for audience numbers.

The visitors to events will support economic benefits by supporting spend in the local area, for example on shopping, eating out, local transport and accommodation.

The assessment considers only the large scale events audience, on the basis that the majority of audiences to smaller events are likely to be local residents and typically spend from residents would be excluded in an economic impact assessment, given it is likely to be spent in the area in the absence of the project.

Applying the average day visitor spend from the 2015 Liverpool City Region Visitors Survey (converted to current prices) to the estimated audience number to large scale events suggests total visitor expenditure (including spend within the venue) will total £1.1m per annum. This is sufficient to **support 10.4 further jobs (FTEs)<sup>2</sup> and GVA of £464,000<sup>3</sup>** per annum, totalling £2.3m over the five-year operational phase.

This represents a high-level estimate based on information available at the time of the assessment, updated to reflect the EPR Hospitality Report profile of events and covers. To provide more robust figures a more detailed assessment would need to consider the potential for multiple visitors per day and the profile of where audience is drawn from to understand the additionality of spend.

## Benefits to the public purse

Additional income will be generated for the public purse as a result of NI and Income tax contributions for the employment at the site. **Each year around £46,000 of national insurance and income tax** will be contributed to the public purse as a result of the jobs accommodated. This equates to £229,000 over the five years of operation<sup>6</sup>. This has been calculated using data from the ONS annual survey of hours and earnings dataset and tax calculator<sup>7</sup>.

## Wider social benefits

Beyond the economic benefits set out in the section above, the project will also support wider social benefits to be unlocked. As set out in the investment objectives, the proposal will support regeneration benefits including by creating greater sense of place

<sup>2</sup> Based on the average cost per FTE in the North West for the retail; transport; accommodation and food; arts, entertainment and recreation; and other services sectors using ONS Annual Business Survey, BRES and Annual Population Survey.

<sup>3</sup> Based on the average GVA per FTE for Liverpool City Region for the retail; transport; accommodation and food; arts, entertainment and recreation; and other services sectors using the ONS BRES and Regional Accounts datasets.

<sup>6</sup> Gross benefit – based on assumptions set out above

<sup>7</sup> <https://www.gov.uk/estimate-income-tax>



and community cohesion as well as creating a quality open space which will encourage healthier lifestyles and improve wellbeing.

**Health and wellbeing benefits** will be associated with the programme of arts and community events, sporting classes and facilities in addition to creating a quality open space encouraging healthier lifestyles.

There are various health and wellbeing benefits of engaging in arts and culture such as facilitating reduced stress levels, better life satisfaction, reduced risks of mental illness<sup>8</sup>.

Engaging in frequent exercise and having an active lifestyle can produce a number of individual health benefits such as the reduction in the likelihood and incidence of physical and mental health problems. It also reduces the risk of serious illness, leading to wider societal benefits through reducing health care costs and increasing economic activity.

Research by SIMETRICA and the Department for Digital, Culture, Media & Sport (DCMS)<sup>9</sup>, explored the wider benefits of participation and engagement in sports and arts and culture, and identified the costs savings for the NHS of the predicted reduction in GP visits and mental health services as a result of good health associated with participation in sports and arts and culture.

**Further social value** will be supported by the community uses and events as part of the project for example through creating opportunities for volunteering and supporting greater community cohesion and sense of belonging for residents.

**Amenity, ecology and recreation benefits** will be generated through new public realm and quality outdoor space with greater access to the Canalside and a new waterside urban garden with places to sit.

## Value for Money Assessment

While the section above focuses on a range of gross benefits of the project, this element of the assessment considers the aggregate net benefits position relative to costs over the one-year development period and five-year operational period to estimate the Social Return on Investment.

This assessment includes the direct, indirect and induced employment benefits, as well as benefits arising from visitor spending in the local economy. It is worth noting that while the wider social benefits have not been monetised at this stage, they would provide an important contribution the value for money assessment.

Both costs and benefits have been discounted by 3.5% per annum in line with Treasury guidance to provide present values. This initial assessment draws on high

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<sup>8</sup> K. Cuypers, S. Krokstad, T.L. Holmen, M. Skjei Knudtsen, L.O. Bygren, J. Holmen Patterns of receptive and creative cultural activities and their association with perceived health, anxiety, depression and satisfaction with life among adults: the HUNT study, Norway J. Epidemiol. Community Health, 66 (8) (2012), pp. 698-703, 10.1136/jech.2010.113571

<sup>9</sup> DCMS and SIMETRICA, Further Analysis to Value the Health and Educational Benefits of Sport and Culture (2015)



level assumptions for additionality (assumed at this stage to be 40% across all metrics).

### Value for Money Findings

While the section above focuses on a range of gross benefits of the project, this element of the assessment considers the aggregate net benefits position relative to costs over the one-year development period and five-year operational period to estimate the Social Return on Investment.

This assessment includes the direct, indirect and induced employment benefits, as well as benefits arising from visitor spending in the local economy. It is worth noting that while the wider social benefits have not been monetised at this stage, they would provide an important contribution the value for money assessment.

Both costs and benefits have been discounted by 3.5% per annum in line with Treasury guidance to provide present values. This initial assessment draws on high level assumptions for additionality (assumed at this stage to be 40% across all metrics).

### Value for Money Findings

The table below presents the value for money assessment results. A BCR has been estimated based on (i) the whole life costs of the proposals (the initial £557,000 plus c.£300,000 a year operating cost) and on (ii) the initial capital costs.

On the basis of whole life costs, we estimate a benefit cost ratio of 1.19. In this case the present value benefits are estimated to exceed the present value costs and the project can be considered as delivering value for money (within the ‘acceptable’ range of 1-2 based on MHCLG guidance). However, the whole life cost approach assumes that the site does not generate an income that would accrue to the council and can therefore be considered the worst-case position.

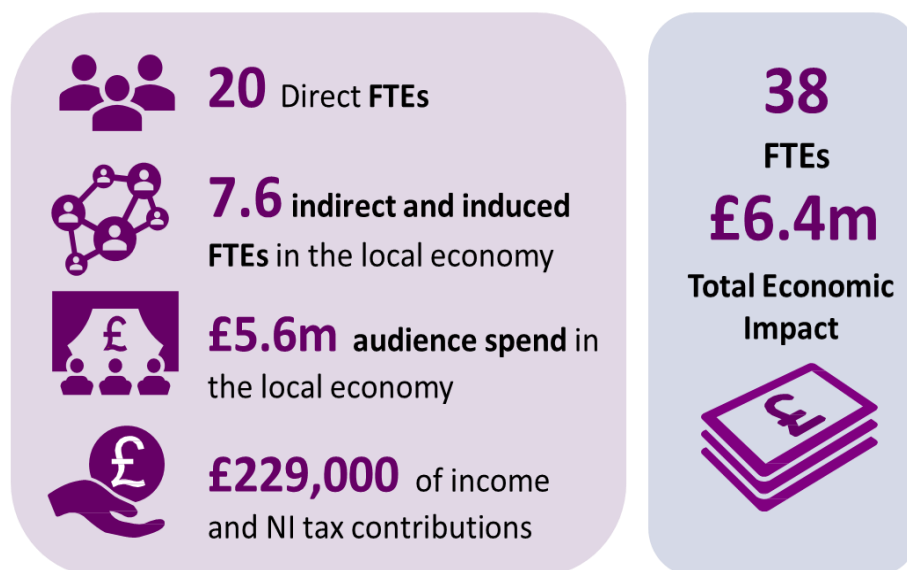
An alternative approach that only considers the initial capital costs, demonstrates that the present value benefits significantly outweigh the present value costs – with a BCR of 4.15, which represents ‘good value for money’.

In practice we would expect there to be some net cost to the council (particularly in the initial years of operation) and the true BCR is likely to lie somewhere between these two points. However, on either basis, the project is expected to achieve value for money – and this is before the potential for wider economic and social benefits are considered.

Forecast Return on Investment	
A: Whole Life Benefits (present value)	£2.3m
B: Whole life cost (present value)	£1.9m
C: Initial capital costs	£0.6m

Forecast Return on Investment	
(present value)	
BCR based on Whole Life Costs (A/C)	1.19
BCR based on Initial Capital Costs (B/C)	4.15

## 5 year total economic benefits\*



\* the figures presented are the gross economic benefits

### 4.9. NON QUANTIFIABLE BENEFITS (Qualitative Benefits)

#### Social Benefits

Social or public value includes all significant costs and benefits that affect the welfare and wellbeing of the population, not just market effects. For example, environmental, cultural, health, social care, justice and security effects are included. Some social benefits which the Canalside project will deliver include providing:

- Local Jobs
- Health Benefits
- Skills Training
- Public Realm Improvements
- Healthy and Resilient Environment

- Local Inclusive Growth
- Connected Communities

There are a number of initiatives currently being developed as part of the social and public value benefits which the Canalside project will provide. Specific initiatives include

### **Green Operations:**

The whole ethos of the Bootle Canalside project and its development is based around the site usage for and with the “Community”, with this in mind as much of the materials and services to be procured are “Local”. This is exemplified in the organic growth of the project with listening and acting on the voice of the community at each phase in the projects development.

As the cost and model for ongoing “Green Operations” on the site developed (clearing, pruning, planting, watering etc), the use and opportunity for community involvement also evolved.

The first year of green maintenance is covered by the establishment agreement included in the initial procurement from local suppliers, the maintenance beyond year 1 is being developed with local community / charity groups who are already funded by Sefton 106 contributions, this work with Regnerus and Taking Root will provide a community volunteer model that not only keeps the future costs to an optimum but also maintains the value of the community having a “Hands On” say and approach to the sites future.

### **Engagement**

The Bootle Canalside site has had a steady programme of ongoing stakeholder and community engagement since July 2021. The sessions have been in a series for formats including a community focus group, feedback postcards collected during summer (Aug 2021) and winter (Dec 2021) pop up events, Primary school site visits and direct consultation with local community groups (Nov 2021, Feb 2022) such as volunteers, Regenerus to discuss community input to the on-going site upkeep.

The aim is to encapsulate as many views and ideas during the process of design and site development so the community is continually involved. The continued engagement throughout, not only ensures ‘buy in’ but continued interest that could also present new opportunities capture social value into the project as a whole and maintain those community connections going forward.

Feedback from all sessions, events and consultations to date have provided the Project team with a comprehensive summary of key feedback which has been listened to and incorporated into the final designs and future vision. An outcome from this on-going exercise was the ‘You said, We Listened, We Did’ poster which was shared to the public via social media and a full scale hoarding erected onto the northern Canalside site outer fence. This demonstrates the importance of engagement and shows the steady progress.



## Bootle Canalside Engagement

Bootle Canalside is an organic site shaped around the Bootle community. Look how we've grown so far...

**YOU SAID**

There needs to be pedestrian access to the Canalside space from Stanley Road.

**WE LISTENED**

We agree! Bootle Canalside must be accessible from Stanley Road.

**WE DID**

We commissioned new dual stairs to give access from Bootle's main thoroughfare and are looking at additional options from Stanley Road.

**YOU SAID**

Bootle Canalside is an organic site shaped around the Bootle community. Look how we've grown so far...

**WE LISTENED**

You wanted a softer, greener space designed with the community in mind.

**WE DID**

We further engaged with our designers, and community volunteers to see how this can work.

**YOU SAID**

You wanted 24/7 access in order to walk through the space safely and at ease.

**WE LISTENED**

We incorporated this into our plans so once the space is fully up and running, it will be open to walk through at any time.

**WE DID**

We ensured the site will have suitable security surveillance, extra lighting and secure lockable containers for our vendors.

**YOU SAID**

You wanted the site to be a space for the whole community to use and enjoy.

**WE LISTENED**

We have taken a community approach to ensure nothing is fixed in stone and the site can evolve and change depending on what YOU want.

**WE DID**

We engaged with the community and ideas continue to flow in to help us grow the site organically.

**YOU SAID**

You wanted updates on the site progression and impact on the community.

**WE LISTENED**

We want to share the latest updates and increase awareness of what is happening on site.

**WE DID**

We have shared regular social media updates on site progress and will continue to promote events and consultations.

**YOU SAID**

You wanted the space to be suitable for disabled use and access so the whole community can enjoy it.

**WE LISTENED**

Use and access for all is so important to ensure a true community space.

**WE DID**

We have planned for disabled toilets, a changing places unit, ramp access and disabled parking.

**YOU SAID**

You wanted more events like the August Bank Holiday event with a mix of entertainment, food and drink.

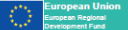

**WE LISTENED**

We've taken on board all the comments and feedback that you've shared with us so far.

**WE DID**

We are looking at the development of a longer term event plan with a diverse mix of events.

**WE HAVE BEEN CREATING OPPORTUNITIES TO LISTEN AND WE WILL CONTINUE TO ENGAGE AT EVERY POSSIBLE OCCASION**

## Events

The aim of Sefton Council hosting 'Pop-up' style events throughout the site delivery process is to encourage Bootle Canalside's multi-use function and insert its presence into the local public psyche. Canalside event space as a catalyst to Bootle's area regeneration by providing a new multi-use space to the community will start to embed and show momentum and potential for Bootle as a destination. The events programme led by the Tourism team have so far orchestrated two small events centred around food, drink, local music and a light show is the next scheduled event to provide entertainment for the space. Once the space is further developed with further investment, the potential for larger events and expressions of interest to hold events there should become more prominent as exemplified at the new Southport Market.

Past and upcoming events include:

Summer Bank Holiday pop up food and music fest (26<sup>th</sup>-29<sup>th</sup> August 2021)

Christmas Gingerbread themed tipi bar (17<sup>th</sup>-19<sup>th</sup> December 2021)

Illuminos Light Show (26<sup>th</sup> March 2022)

Clear Air Day (TBC still in discussion)

Plus more events to be scheduled in coinciding with demand and availability

## Local Suppliers and Local Employment

Through the various contracts and supply packages we have, through our approved procurement procedures, contracted with a number of local suppliers from the South Sefton/North Liverpool area to deliver the Canalside project, specifically

- **Planters for the Urban Garden** are being manufactured and supplied by The Toolshed, based in the Palatine of the Strand shopping Centre
- **The Civil Engineering works** being undertaken, including surfacing, groundworks, utilities, and canal edge works is being undertaken by Dowhigh Ltd, Netherton
- **Works to the Staircase and Fencing** works have been undertaken by Davies Construction, Burscough
- **The refurbished containers** have been supplied by Containers North West, Based in Vauxhall, Liverpool
- **The Design Team** employed for the design of the Capital Works are Owen Ellis Partnership, Liverpool.

#### 4.10. Conclusions

Following the analysis of quantitative and qualitative benefits of investing in Bootle Canalside, it can be concluded that the preferred option for the project is good value for money and is expected to achieve many qualitative and quantifiable benefits.

## 5. THE COMMERCIAL CASE

### 5.1. Introduction

The preferred option requires the procurement of a series of contracts relating to both 'works' and 'goods and services'. The groundworks and infrastructure works will be procured through the Council's appointed term contractor for groundworks and any highways related works. The procurement of other elements of the development (professional services, landscaping, other services) will be via the Chest procurement platform to satisfy the requirements of the Council and partner funding bodies.

The Council, in relation to its procurement strategy for the works and services, will act in compliance with the government agreements and the European Union (EU) Procurement Directives and the Regulations that implement them in the UK which set out the law on public procurement.

The Procurement Strategy will also need to comply with the Council's Financial Regulations relating to Procurement.

Prior to procurement, soft market testing will be undertaken to ensure interest in the market and to inform the specific procurement requirement. All tenders will be sought in full compliance with Sefton Council's contract procedure rules and assess bidders' financial standing in the evaluation criteria.

Procurement evaluation criteria would ensure that only those bidders that can demonstrate appropriate capacity, financial standing for a contract of this size, capability, systems, expertise, evidence of ability to deliver to scope and timescales and recognition of desired social value will be considered.

### 5.2. Contractor Procurement

In relation to the groundworks/infrastructure elements of the scheme, given the challenging timescales to implement the works, it was agreed to employ the Council's highways and groundworks term contractor (Dowhigh Ltd) at the rates approved in their current competitively procured contract to ensure best value for money. This will enable engagement of the most economically advantageous contractor to be employed whilst maintaining control of time, cost and programme. The landscaping and container elements are being procured through a competitive tendering process.

Any procurement processes will be in accordance with the Council's Procurement Regulations as outlined:

1. The cost of goods and services will not exceed the relevant OJEU threshold and so it will not be necessary to procure the works in accordance with established EU procedural rules.
2. The proposed goods and services will be carried out by suitably qualified and experienced suppliers – ideally selected from a list of approved Contractors
3. The Suppliers invited to tender will have been vetted to ensure they meet the Council's requirements in terms of financial standing, capacity, quality of performance and approach to health and safety.

4. As all tendering suppliers will have met the necessary quality threshold the Council can be assured of obtaining the best value for the works by accepting the lowest tenders received.
5. A list of suitably experienced and qualified suppliers will be selected, capability and capacity checked, and a final shortlist identified
6. Chief Officer approval will be requested to invite tenders
7. The works/goods/services will be tendered using the Chest protocol
8. Submitted tenders will be checked arithmetically and technically in order to ensure no significant errors and a tender report prepared with recommendations for Chief Officer approval
9. Contract documents will be prepared by Sefton Council's Legal Services Team
10. Any IT works may be subject to a different procurement strategy established and delivered by Sefton IT/ Agiliys.

### 5.3. Contractual arrangements for the contractor.

Sefton Council will be named as the Employer for the purposes of the contract with any Contractor and Supplier for the works, and goods and services. A Contract Administrator would need to be appointed and named in any of the contracts to fulfil this specialist role.

### 5.4. Required Services

These will be Construction and Professional Services

### 5.5. Potential for Risk Transfer

The general principle is that risks should be passed to 'the party best able to manage them', subject to value for money.

This section provides an assessment of how the associated risks might be apportioned and shared between Sefton Council and a Private Contractor/Supplier.

A Risk Register Table showing the development, delivery and post implementation phases is at Appendix 2

#### Risk Transfer Matrix

Risk Category	Potential allocation		
	Public	Private	Shared
1. Design risk			✓
2. Construction and development risk			✓
3. Transition and implementation risk			✓

4. Availability and performance risk	x		
5. Operating risk	x		
6. Variability of revenue risks	✓		
7. Termination risks	✓		
8. Technology and obsolescence risks	x		
9. Control risks			x
10. Residual value risks	✓		
11. Financing risks	✓		
12. Legislative risks	✓		
13. Other project risks	✓		

## 5.6. Proposed Charging Mechanisms

The Council will make payment to the contractor/suppliers monthly in arrears upon the production of authorised certificates for payment

## 5.7. Proposed Contract Lengths

In accordance with the Programme attached at Appendix 4 the following key milestones are anticipated;

Design Team

Funding approved – July 2021

Design Team Appointed – July 2021

Length of Design Team Appointment – 6 months to be extended

### **Contract 1 – Groundworks and Infrastructure**

Term Contractor Appointed (current term contract) – July 2021

Length of Term Contractor Appointment – to be agreed

Estimated Project Start on Site – November 2021

Estimated Project Completion – May 2022

### **Contract 2 - Containers**

Supplier Procurement - August 2021



Estimated Project Start on Site – August 2021

Estimated Project Completion – April 2022

### **Contract 3 - Landscaping**

Supplier Procurement – January/February 2022

Estimated Project Start on Site – March 2022

Estimated Project Completion – May 2022

### **5.8. Proposed Key Contractual Clauses**

The Council will advise on any key contractual clauses to be included in the final contract documentation

### **5.9. Personnel Implications (Including TUPE)**

Not applicable to this investment.

### **5.10. Procurement Strategy and Implementation Timescales**

It is anticipated that the procurement strategy will conform to approved programmes.

### **5.11. FRS 5 Accountancy Treatment**

The property will be owned, managed, and maintained by the Council during and following completion of the works. The asset will be on the balance sheet of the organisation.

### **Site management and operation**

As outlined in section 4.6 above - management and delivery of the operational requirements, there are options identified for the management of the site following the implementation of the capital works programme. In progressing either of the non-council management options, an open tender process would have to be undertaken in order to ensure best value for money for the council. Any such procedure would need to comply with government agreements and the European Union (EU) Procurement Directives, and the council's financial regulations relating to procurement.

## 6. THE FINANCIAL CASE

### 6.1. Introduction

This section assesses the affordability of the investment, identifying cost, revenue and funding sources

This section sets out the forecast financial implications of the Recommended Options as set out in the Economic Case above.

The key features of this model are:

#### Net Present Value (NPV)

The Net Present Value (NPV) appraisal technique is used to assess the financial viability of the proposal. NPV represents the return / gain on initial investment in present day terms in line with the Treasury Green Book appraisal methodology using a standard discount factor. A positive NPV indicates that a project is worth undertaking from a financial point of view.

### 6.2. Financial Appraisal

Option	In House Delivery
	£000s
NPV*	2,081

\*A positive NPV indicates that this is a worthwhile investment given the anticipated benefits from the project

### 6.3. Capital Implications

Option	In House Delivery
	£000s
<b>Capital Cost</b>	<b>(556,862)</b>

The table above includes the total capital cost as per the VEXTRIX consultancy report net of any costs that have already been funded.

The figure of £556,862 represents the costs to completion of the Capital project. This is in addition to the c. £1.65m already invested in the site through LCRCA in site acquisition, site clearance, and essential infrastructure works. This is shown in the attached cost plan

Works which needs to be completed to allow the site to be utilised effectively include

- Completion of Hardstanding
- Canal Edge Works (Towpath and Steps)
- Landscaping works
- Street Furniture
- Groundworks
- Repairs to Fencing, and
- Mechanical and Electrical works ie power, water, utilities, lighting

### 6.4. Revenue Implications

Option Year	In House Delivery					Total
	1	2	3	4	5	
	£000s	£000s	£000s	£000s	£000s	£000s
1 Rental Income	58	88	120	122	125	513
2 Events Income	1	1	1	1	1	7
<b>Total Income</b>	<b>59</b>	<b>90</b>	<b>121</b>	<b>124</b>	<b>126</b>	<b>520</b>
3 Management and Staffing	(76)	(80)	(84)	(88)	(93)	(422)
4 Marketing and Events	(130)	(133)	(135)	(138)	(141)	(677)
5 Other Site Costs	(186)	(189)	(191)	(194)	(197)	(957)
<b>Total Expenditure</b>	<b>(392)</b>	<b>(401)</b>	<b>(411)</b>	<b>(421)</b>	<b>(431)</b>	<b>(2,056)</b>
<b>Total Budget Subsidy Required*</b>	<b>(333)</b>	<b>(312)</b>	<b>(290)</b>	<b>(297)</b>	<b>(304)</b>	<b>(1,536)</b>

Therefore, based on the current assumptions, the Council would need to find an additional budget of £290k to £333k for the recommended Option and also funding for the Capital Cost of £557k.

### 6.5. Notes / Assumptions

#### (1) Rental Income

Rental income assumes a 10% turnover rent and these figures have been provided by an industry specialist. The specialist indicated that this might not be achievable in Year 1 and has been considered in the income phasing. At 100% activity levels, the industry specialist anticipates 84,806 covers per annum which is 343 per day on average. However, these will vary depending on size of events and seasonal fluctuations. Average spend per head is estimated to be £7.50 on food and £8.82 on drink. These are assumed to be inclusive of VAT. Days Open Per Annum (39 wks @ 4 days and 13 holiday weeks @ 7 days = 247)

#### (2) Events Income

No other events income has been assumed except for the August Food and Drink Festival. Other events are assumed to be provided free of charge with income generated through food and drink sales.

## **August Food and Drink Festival**

15 Producers @ £50 each (excl VAT)

5 Street Food & Specialist Bar @ £100 each (excl VAT)

Total Income Target = £1,250

### **(3) Management and Staffing**

2 additional members of staff is assumed to be required to support the offer with other management of the site assumed to be met from existing Council resources.

### **(4) Marketing and Events**

Marketing costs = £30k per annum and Events costs = £100k per annum

### **(5) General**

Inflation - is assumed to meet the government's 2% target on average over the 5 year period. Additional information supporting the business case has been provided by the Industry Expert (See separate report at Appendix 5).

Other key assumptions relating to spend and detailed in the hospitality expert report are, based on Total Covers of 84,806,

- 75.5% of revenues will be generated on Event days
- Total Event Days will comprise 15 Large Scale Event Days and 55 Small Scale Event Days
- Average spend on Food is £7.50, and average spend on beverages is £8.82. Site F&B Revenues are therefore £1,153,362 net
- Event spend will be £9.92 on food and £15.46 on beverages, whereas
- Non Event spend on food will be £4.83 and £1.49 on beverages

In order to inform the Operational and Management Costs to the project, the Council engaged industry expert EPR Hospitality to review the Canalside financial projections aligned to the proposed design. Their report, which has formed the basis of the review, is at Appendix 5.

## 7. THE MANAGEMENT CASE

### 7.1. Introduction

This section assesses the deliverability of the investment, identifying timescales and project responsibilities. sets out how the project will be managed and delivered, setting out actions required to ensure its successful delivery. It sets out the project structure and governance arrangements.

#### PROJECT ORGANISATION AND STRUCTURE

The Bootle Canalside Project and Programme will need to adhere to governance procedures as set out in the following

- Programme Manual for Growth and Strategic Investment (GSI) (October 2019)
- Approved Route to Delivery (see diagram below)
- Project Delivery Organisational Structure (see diagram below)

The Growth and Strategic Investment Programme supports the Core Purpose of the Council which states that

*“As place-leaders we will facilitate and enable happy, safe and resilient communities”.*

Delivery of the Programme makes its greatest contribution to the Strategic Outcome

*“Sefton People will contribute to and benefit from, economic growth”.*

The Programme will also significantly benefit the Council through an increase in Council Tax and Business Rates, reduction in subsidies on Council-owned assets and services and receipt of net new revenue streams to pay for services. The Programme outputs are also positively influential in improvements in Social Value and Impact.

The Bootle Canalside project is an integral part of the Growth and Strategic Investment programme, which comprises a portfolio of projects for the delivery of the Vision and Core Purpose of the Council.

### 7.1. Programme Management Arrangements

Full Project Management Arrangements are as set out and agreed in the Programme Manual for Growth and Strategic Investment - October 2019.

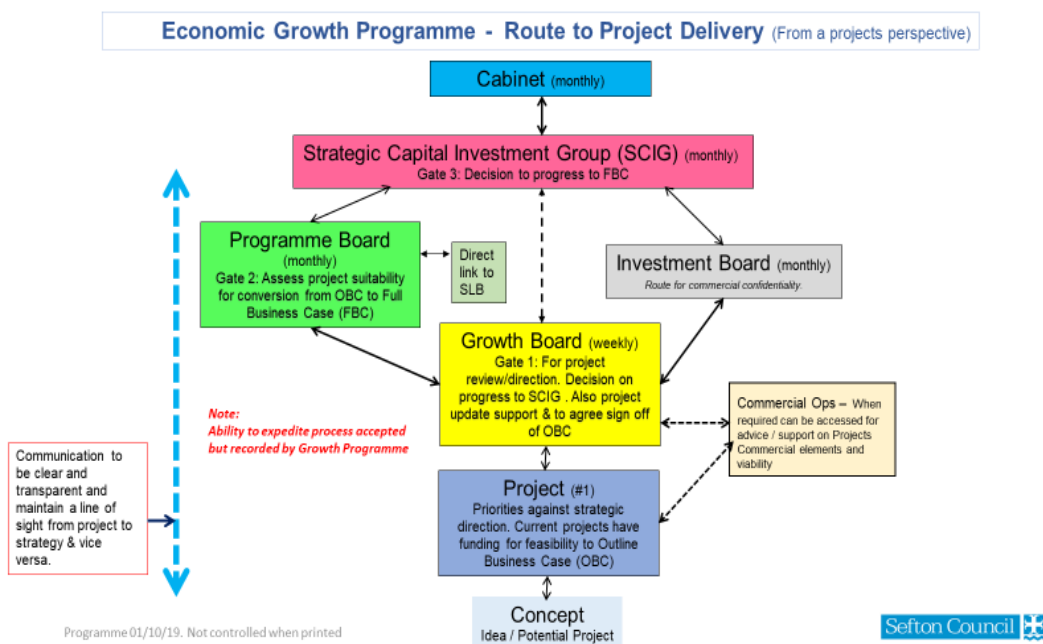
The Growth and Strategic Investment Board is managed at Director level, comprising Senior Council Officers, at Head of Service (HoS) level and their immediate reports. The expertise of these officers is combined to assure that the necessary skillsets required to conceive, develop and deliver projects is appropriately robust to support the decision-making process:

### 7.2. Project Management Arrangements

The Project will be managed by the Senior Responsible Officer (SRO) and at present is managed via a weekly detailed project review, and a fortnightly review managed by the project SRO. The meetings reviews are a detailed review of current activities and progress towards delivery of the agreed ‘Outcomes’, which will form the content for the Growth and Strategic Investment and programme Board reporting.

## 7.3. Project Reporting Structure

The reporting structure for the Bootle Canalside project is as follows:



The project delivery organisational structure is as follows:

Programme Management  
Growth Board Programme Manager / Strategic Regeneration  
Commissioner

Senior Responsible Officer  
Stuart Barnes (Head of Economic Growth & Housing) reporting to Sefton  
Corporate Growth Board

**Project Board comprising representation from:**

- SMBC Project Sponsor– Stuart Barnes
- SMBC Regeneration Team and Project Owner - Steve Power
- SMBC Programme Management – Natalie Solaru
- SMBC Corporate Finance – Andy Bridson
- SMBC Corporate Property Design Team – Alan Lake
- SMBC Management and Maintenance – Green Sefton – Mark Shaw/Mike Morgan
- SMBC – Management and Events and Tourism Service – Mark Catherall/Sarah Townley
- Engagement – Nicky Owen
- SMBC Communications – Bridie Finnan
- SMBC Planning – Derek McKenzie

SMBC Corporate Support

- SMBC Procurement Service – Jane Taylor
- SMBC Legal Team – Gill Brown
- SMBC – Highways and Transportation – Stephen Birch

## 7.4. Project Roles and Responsibilities

The roles and responsibilities required to support project delivery are outlined in detail in the GSI Programme Manual and involve the following key roles and relationships

The **Senior Responsible Officer** (SRO) will act as the strategic guide and second point of escalation for support and advice. The SRO will not be expected to know the day-to-day project detail but will know enough to be able to support delivery from a Programme / Strategic level.

The **Project Sponsor** is the “*Project Champion*” and should be first point of call for the Project Owner to discuss project detail. The sponsor will have a good working knowledge of the project and may be expected to manage some elements of the day to day project delivery. The Sponsor will support the project through the delivery process advising and supporting in respect to the stakeholder management. The sponsor will give direction and advice in respect to the project stakeholder management and communications in accordance with agreed communication channels of Framework for Change. The Project Sponsor helps address and remove barriers to delivery. The Project Sponsor is also responsible for identifying the resources required to deliver the project, for keeping both the Growth & SI Board and relevant Heads of Service apprised of progress and assuring effective project management, progress and risk management. The Project Sponsor will identify any risk that requires escalation to the Growth & SI Board or immediate corporate awareness. The sponsor is expected to support the project at presentation through the phases of the project lifecycle e.g. presentation and Growth & SI and Programme Boards and advise during Business case production. The sponsor will also agree with the project owner any requirements in respect to scope changes, prior to formal agreement at relevant body.

The **Project Owner** is accountable for the overall project delivery, from concept to closure. The owner is responsible for the day to day delivery of the project, including but not restricted to Charter Production and delivery of agreed milestones and deliverables, these will form the project owner objectives. The Project Owner is the first point of call for project specific information and actions. The project owner is also responsible for production and delivering all relevant project documentation e.g. (Charter / Business case production) ensuring process compliance and reporting structures are followed throughout the delivery of the project. The Project Owner will also ensure stakeholder management is relevant and timely and will ensure communication of project progress is also timely and relevant.

## 7.5. Project Plan

The project plan is as set out in the following table:

### Project Plan

Milestone Activity	Start	Completion
--------------------	-------	------------



<b>Milestone Activity</b>	<b>Start</b>	<b>Completion</b>
Appointment of Design Team	June 2021	May 2022
Design Stages 4 Work	June 2021	December 2021
Secure Planning Approval	July 2021	August 2021
Tender Period for works/goods	August 2021	March 2022
Tender Evaluation	August 2021	March 2022
Delivery Period Stage 5 (Phased)	August 2021	May 2022
Funding Approved by SCIG/Other	April 2022	April 2022
Project Handover Stage 6	May 2022	June/July 2022
Project in Use Stage 7	May 2022	Ongoing

## 7.6. Outline Arrangements for Change and Contract Management

It will be the responsibility of the (SRO/Sponsor/Owner) to manage the change control procedure in accordance with an agreed project management plan.

All Suppliers and Consultants will be employed by the Council and will report directly to the Project Owner who will monitor progress. It will be the responsibility of the Project Owner to ensure that all works are satisfactorily completed within the timescales set out in the Project Work Programme

## 7.7. Outline Arrangements for Benefits Realisation (ADD Benefits, Monitoring and Evaluation Section heading here)

Benefits management is centred around a partnership approach between the programme/ project teams delivering the change, and those parts of the business affected by it.

Often the benefits associated with a particular programme/project begin to appear after the programme/project has completed and the new facility is in place. While programme/project teams may facilitate and drive the benefits process initially, they do not own the benefits. Affected business areas always own the benefits and are responsible for ensuring they are managed and realised long after the programme/project is complete, and the structures are dismantled.

The Senior Responsible Owner (SRO) for the change programme/project is ultimately responsible for the management and delivery of business benefits

A copy of the project benefits register is included in the Project Delivery Plan and Monitoring and Evaluation Documents, included in the suite of Programme Management documents reviewed by the Council and the funding partners.

This sets out who is responsible for the delivery of specific benefits, how and when they will be delivered and the required counter measures, as required.

## **7.8. Outline Arrangements for Risk Management**

The strategy, framework and plan for dealing with the management of risk are as follows

A Risk Management Plan and standard, well established risk management processes will be used to manage the risks to the Project (see Appendix 2). The interface between the Project Manager and the Project Team, contractors and sub-contractors is seen as crucial in providing a holistic approach to the management of risk throughout the life of the Project.

The management part of the process will be undertaken by continual periodic reviews throughout the life of the project. The Council recognises that risk assessment is just a snapshot in time, and that the situation is bound to change with risks maturing into problems, risks being resolved, risk probabilities and / or impacts changing either up or down, and new risks arising or being identified.

Following project approval, risk management will be undertaken at pre-defined lifecycle stages of the Project. This will ensure all risks are identified, analysed, planned and managed, again throughout the life of the Project.

The integration of risk on projects means that all parties need to be aware of all the potential risk to their elements of the work. Only by acting as an integrated team, and sharing information, can the team be truly effective. The Council's approach to risk management is therefore one of working collaboratively with its suppliers and consultants to minimise risks. The management procedures described earlier will encourage a team working approach with management procedures, actions and responsibility allocation agreed by the stakeholders.

This details who is responsible for the management of risks and the required counter measures, as required are contained within the register.

## **7.9. Outline Arrangements for Post Project Evaluation**

The outline arrangements for post implementation review (PIR) and project evaluation review (PER) have been established in accordance with best practice and are as follows.

## **7.10. Post Implementation Review (PIR)**

These reviews ascertain whether the anticipated benefits have been delivered and are timed to take place on a monthly basis.

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

Document is Restricted

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 26 May 2022
<b>Subject:</b>	Provision of Council Housing at Buckley Hill Lane, Netherton		
<b>Report of:</b>	Head of Economic Growth and Housing	<b>Wards Affected:</b>	St. Oswald;
<b>Portfolio:</b>	Cabinet Member - Communities and Housing		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No, however, the information contained in Appendix 3 is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt		

**Summary:**

This report seeks approval to proceed with the acquisition of homes at Buckley Hill Lane, Netherton through the provision of 13 homes for social rent and shared ownership

**Recommendation(s):**

**Cabinet is asked to:**

- (1) Agree the Business Case for the acquisition of 9 homes for social rent and 4 homes for shared ownership from Sandway Homes at the Buckley Hill Lane development in Netherton and recommend that Council approve and financially support as a capital scheme committing the use of Section 106 affordable housing receipts and Historic Right to Buy receipts to fund the purchase
- (2) Give authority to the Head of Economic Growth and Housing in consultation with the Cabinet Member for Communities and Housing and Cabinet Member for Regulatory Compliance and Corporate Services to negotiate and agree the financial terms with Sandway Homes as identified within the Business Case and formally submit an offer to acquire the homes subject to the Council being able to secure grant funding from Homes England to cover the viability gap
- (3) Give authority to the Head of Economic Growth and Housing in consultation with the Cabinet Member for Communities and Housing and Cabinet Member for Regulatory Compliance and Corporate Resources to submit a bid to Homes England for capital grant funding through the Affordable Homes Programme 2021-26 supporting the acquisition to cover the viability gap and subject to grant offer to enter into contract with Homes England
- (4) Give authority to the Chief Legal and Democratic Officer to negotiate the contract terms and finalise all associated legal documentation for the purchase and acquisition

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(5) Instruct officers to develop the operational requirements for the new council homes as set out in the Cabinet report and Business Case and delegate authority to the Executive Director of Place in consultation with the Cabinet Member for Communities and Housing to approve the details

(6) Note the intention to seek Council approval for a Supplementary Capital Estimate once negotiations have concluded and the overall costs of the scheme are known

(7) Note the intention to seek Council approval for the net rental income from the scheme, including that received during the initial payback period, is reserved and reinvested into the Council Housing Programme

## **Reasons for the Recommendation(s):**

To progress with the delivery of council housing at Buckley Hill Lane through the acquisition of 9 apartments for social rent and 4 houses for shared ownership from Sandway Homes and apply for Homes England Affordable Homes Programme (AHP) 2021-26 grant funding to support the acquisition (Option 3 in the Business Case).

## **Alternative Options Considered and Rejected:** (including any Risk Implications)

Option 1 – Do Nothing, choose not to provide council housing

The Council could choose not to provide council housing at Buckley Hill Lane, however this could limit the opportunity to provide new social housing aimed to meet identified housing need in Netherton and does not align with the strategic case for Council housing delivery. Further, this option would remove the complimentary offer of additional social housing provision thereby relying on Housing Associations to meet housing need.

Option 2 – Acquire 9 apartments for social rent with grant funding

Acquiring 9 homes for social rent would support the Council's ambition to provide affordable housing to households in housing need in Sefton. Applying for grant funding would enable the scheme to be financially viable to deliver. However, the further 4 shared ownership homes would need to be delivered by another Registered Provider.

Option 3 – Acquire either mix without Homes England grant funding

The Council could proceed with approval for the acquisition of homes at Buckley Hill Lane based on the Business Case but choose not to apply to Homes England for grant funding through the AHP and instead fund solely from its own financial resources. This option is not recommended on the basis that acquisition would not be financially viable for the Council to deliver.

## **What will it cost and how will it be financed?**

### **(A) Revenue Costs**

Revenue costs will be required for the ongoing and long-term housing management and maintenance of the properties once they are in Council ownership. The cost of this service will be off set against the rental income that the Council will receive from letting of the properties. An assumption of costs has been made within the Business Case based

on benchmarking with the social housing sector. An updated scheme appraisal can be undertaken once a Housing Management Agent is procured and appointed, and firm housing management and maintenance costs known.

No borrowing has been assumed in the delivery of the scheme due to the existing capital finance available within the Council to support the delivery of social housing, however the appraisal is modelled to generate payback of the capital investment. It is recommended that this payback and any future net rental income beyond the payback period is reserved and reinvested into the Council Housing Programme to reflect year on year fluctuations and also develop and enable the provision of future council housing delivery across Sefton. There is therefore no impact on the bottom-line budget.

## **(B) Capital Costs**

Capital acquisition costs are fully detailed within the Business Case along with the level of grant funding required to make the scheme financially viable. The final capital cost required will be subject to further work to negotiate the shared ownership homes and a competitive bid being made to Homes England for grant funding and a subsequent grant offer being made and accepted.

Sufficient finance is available to support the acquisition through S106 commuted sum monies for the provision of affordable housing and Historic Right to Buy Sharing Agreement receipts following the Councils stock transfer to One Vision Housing.

## **Implications of the Proposals:**

### **Resource Implications (Financial, IT, Staffing and Assets):**

Financial resources are required to fund the acquisition of properties from Sandway Homes as a capital cost. Revenue resources are required to fund the housing management and maintenance service that the Council will offer to its tenants through an appointed Housing Management Agent, the cost of which will be fully funded by rental income received for the properties.

Specialist external advice is required to support in a number of areas to enable the operational activity in delivering council housing including legal and project management of the acquisition. The procurement and financing of external support was approved at Cabinet in January 2021.

There will be an asset implication resulting from the acquisition of properties, although the management and maintenance of which will be managed by a Registered Provider following a compliant procurement process.

### **Legal Implications:**

A local authority may hold up to 199 homes outside of a Housing Revenue Account under a Government direction subject to writing to the Secretary of State for Housing Communities and Local Government to apply to hold specific homes outside of an HRA.

Sefton Council have registered as a Registered Provider of Social Housing with the Regulator of Social Housing based on the intention to provide social housing as is required under Section 114 of the Housing and Regeneration Act. The Council will be subject to regulatory and legislative requirements and compliance through its new landlord duties.

# Agenda Item 11

There would be a requirement to provide tenancy agreements for each property determined by the Housing Act 1985, Housing Act 1996, and Localism Act 2011. Standard tenancy agreements would need to be developed with the support of expert legal advice. Such agreements could then be utilised for any future council housing properties considered.

Section 27 of the Housing Act 1985 allows local authorities to enter into management agreements in relation to their housing stock. Under this Section 27, local authorities which are Registered Providers of social housing are required to seek the approval to these agreements from the Regulator of Social Housing. Further, the Council would need to enter into contract with the appointed Housing Management Agent.

The Council would need to enter into a new supply contract with Homes England to agree to the terms and conditions attached to any grant offer and ensure compliance with the AHP.

## **Equality Implications:**

An Equality Impact Assessment has been undertaken through development of the Business Case and no negative impacts have been identified. The EIA found that the provision of council housing and subsequent landlord service will have a positive impact on the protected characteristics of age and disability. The EIA will be reviewed and updated at the relevant review point and as work continues with the operational requirements to enable the Council to provide council housing.

## **Climate Emergency Implications:**

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	N
Have a negative impact	Y
The Author has undertaken the Climate Emergency training for report authors	Y

Building of new homes will have a negative impact on the Climate Change Emergency as a result of the construction and build process. Sandway Homes have included mitigation measures within their design for the development and will be undertaking the development in a manner compliant with Planning policy EQ7 Energy efficient and low carbon design.

Measures introduced at Buckley Hill Lane to reduce the carbon footprint through construction include:

- Electric vehicle charging points to each dwelling and to the apartment block
- Energy efficient design with high thermal efficiency values to reduce heat loss, high efficiency boilers and heating systems
- Sustainable design and landscaping throughout the site with 'green streets'
- Surface water drainage integrated into landscape features to encourage wildlife

## **Contribution to the Council's Core Purpose:**



<p>Protect the most vulnerable: New council housing at Buckley Hill Lane will provide secure, quality homes to those most in housing need. Homes will be let at social rent level which offers the most affordable route to social housing. Homes will be developed to high energy efficiency standards which will help to reduce energy bills for tenants</p>
<p>Facilitate confident and resilient communities: Provision of new council housing will provide additional housing choice to local communities in Sefton. Homes will be offered through Council tenancies enabling stability for households and families in housing need creating sustainable, confident, and resilient communities. A new housing management and maintenance service will be in place for tenants of any new council owned homes and will support tenants and communities through this service. Provision of shared ownership homes will provide an added housing offer and alternative route to home ownership at Buckley Hill Lane.</p>
<p>Commission, broker and provide core services: Provision of new council housing will become a core service. A housing management and maintenance service will be procured, and the Council will work with a Registered Provider of Social Housing to deliver this for new Council tenants. Homes will be let through the existing allocations scheme, Property Pool Plus which is already in place as a core service.</p>
<p>Place – leadership and influencer: Not applicable</p>
<p>Drivers of change and reform: Delivery of new council housing will offer homes at social rent adding to the existing provision of social housing in Sefton and providing an alternative social housing offer to those in housing need.</p>
<p>Facilitate sustainable economic prosperity: Development of Buckley Hill Lane and other sites within Sandway Homes’ Phase 1 programme will generate direct and indirect employment and training opportunities supporting economic prosperity. Supply chains such as contractors, suppliers, technical and professional services will be supported throughout the development process.</p>
<p>Greater income for social investment: Not applicable</p>
<p>Cleaner Greener: Newly developed council housing will provide high quality homes and be energy efficient with low carbon design measures. Design of the homes has been developed by Sandway Homes to be compliant with Planning policy and Building Regulations.</p>

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.6772/22) and the Chief Legal and Democratic Officer (LD.4972/22.) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Not applicable

# Agenda Item 11

<b>Contact Officer:</b>	Suzanne Blundell
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## **Appendices:**

The following appendices are attached to this report:

Appendix 1 – Business Case: Provision of Council Housing at Buckley Hill Lane, Netherton

Appendix 2 – Equality Impact Assessment: Provision of Council Housing

Appendix 3 - Exempt Appendix Business Case Provision of Council Housing at Buckley Hill Lane, Netherton

Appendix 3 is exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains commercially sensitive information

## **Background Papers:**

Cabinet (07/01/02021) – Item 79 – Provision of Council Housing Buckley Hill Lane, Netherton

### **1. Introduction/Background**

- 1.1 In January 2021, Cabinet considered a report seeking approval for the Council to re-enter the social housing market through the provision of Council housing for rent and set out the direction of travel to achieve this. Authority was granted to negotiate terms to acquire one block, comprising nine apartments (6 x 1-bed, 3 x 2-bed), as the start of its future stock of council housing from Sandway Homes, and as part of Sandway's development at Buckley Hill Lane, Netherton.
- 1.2 Since approval of the Cabinet report, officers have been in discussion and negotiation with Sandway Homes. A Business Case has been now prepared for consideration by Cabinet, which is appended to this report at Appendix 1, setting out the proposed acquisition and detailed costs to the Council and to seek approval to proceed with the acquisition as a capital scheme. A full risk register is detailed within the Business Case document.

### **2. Buckley Hill Lane Development**

- 2.1 In November 2021, planning permission was granted for the Buckley Hill Lane development to include the provision of 13 affordable homes. The provision of 13 affordable homes means that the development is compliant with the Council's planning policy and consists of the previously agreed 9 apartments offered to the Council for council housing and a further 4 homes to be provided as shared ownership. Sandway Homes offered the Council the opportunity to acquire all 13 homes forming the total affordable housing provision for the site. The Council

acquiring the full provision offers benefits in that it would be the sole provider of affordable housing on the site as opposed to a second RP acquiring the small number of homes for shared ownership.

- 2.2 In working to bring forward Council housing at Buckley Hill Lane, officers have undertaken a financial viability appraisal, with the support of a specialist consultant, based on a key set of assumptions to determine the viability of delivering both the originally approved 9 apartments for social rent of which independent valuation has been undertaken and purchase price agreed with Sandway Homes and the alternative offer of a mixed scheme for social rent and shared ownership. The purchase price for the shared ownership homes may change as further work will need to be undertaken including obtaining independent valuation subject to proceeding with the full acquisition.
- 2.3 Full financial viability appraisal outcomes are detailed within the appended Business Case. Both acquisition opportunities are viable to deliver in financial terms with the requirement of grant from Homes England through the AHP 2021-26.
- 2.4 Officers have been in dialogue with Homes England about the availability of grant funding to support the delivery of council housing at Buckley Hill Lane. Bidding for grant funding through the new AHP is now open through Continuous Market Engagement (CME) route on a scheme by scheme basis which is the intended route for any bid made by the Council. The programme requires a start on site by 30 September 2025 and completion by March 2026, which is in line with Sandway's programme for the site.
- 2.5 Alongside a bid for grant funding, the Council will be required to apply as an Investment Partner to Homes England and achieve this status prior to the payment of any grant. Approval of any grant funding will require the Council to enter into a new supply contract with Homes England and ensure compliance with the contractual framework, including the Capital Funding Guide and recovery determination. A review of compliance may take place through Compliance Audit post completion and handover of the homes and so it is important to prepare and plan for this throughout the bidding process and grant drawdown process.
- 2.6 Capital resources are also available internally to contribute to funding the purchase of homes from Sandway Homes arising from s106 commuted sum monies for the provision of affordable housing and the historic Right to Buy Sharing Agreement following the Council's' stock transfer.

### **3. Housing Need and Demand**

- 3.1 Sefton's Local Plan identifies a need for new homes, including affordable homes across Sefton to 2030. The latest Strategic Housing Market Assessment (SHMA) 2019 evidence continues to support the need for the provision of affordable housing identifying an annual estimated need of 391 new affordable homes.
- 3.2 The need for affordable housing differs between the North and the South of the borough in terms of the type and size of homes needed. SHMA evidence suggests that there is an adequate supply of general needs housing across the South (Bootle/Netherton), however there remains a need for smaller 1- and 2-bedroom

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homes, some larger (4+ bedroom) homes and some specialist accommodation such as homes for people with disabilities.

- 3.3 Provision of rented homes at Buckley Hill Lane will provide 6x1-bedroom and 3x2-bedroom apartments aimed at meeting identified need within Netherton with all ground floor apartments being accessible and adapted with level access shower facilities. Housing need for this accommodation type is further supported by demand evidence from the Council's Property Pool Plus (PPP) waiting list which shows that over half of the households currently registered for affordable housing for rent require 1-bedroom homes. Data also demonstrates strong demand for adapted properties with only a small number of adapted homes becoming available to let compared to those registered based on this housing need.
- 3.4 The SHMA recognises the likely demand in Sefton for affordable home ownership homes and suggests that shared ownership is likely to be the preferred product due to requiring a much lower deposit and lower overall costs making it more affordable than alternative home ownership routes. Recognising the adequate supply of general needs rented housing in Bootle and Netherton, Planning policy requires a tenure split for affordable housing in these areas of 33% affordable or social rent; 67% affordable home ownership. The SHMA does recognise that Bootle and Netherton are affordable in relation to accessing home ownership on the open market due to lower house prices, however, shared ownership will provide further housing choice in the area and aligns with the preferred choice of product.

## 4. Operational Requirements and Further Work

### ***Buckley Hill Lane Development and Shared Ownership***

- 4.1 Recommendation 1 is to proceed based on acquiring the mixed tenure offer of social rent and shared ownership. Further work and negotiation will be required with Sandway Homes to agree a purchase price and the Council would need to undertake an independent valuation for the 4 shared ownership homes. An updated financial viability appraisal can then be undertaken for the scheme and a grant offer to Homes England informed accordingly.
- 4.2 The alternative mix presents a new tenure for the Council to consider delivering and further work would be required to model the tenure including first tranche sales, staircasing points and associated costs and risks to the Council to deliver which will include a sales and marketing risk. Government have introduced a new model for shared ownership following consultation which includes the following key changes to the tenure that will require modelling:
- Reduction in the minimum first tranche share to 10%
  - Ability for shared owners to staircase by 1% annually for up to 15 years
  - A 10-year repair free period during which the landlord will be responsible for repairs up to £500 per year
  - Minimum 990-year lease terms

### ***Housing Management Agent***

- 4.3 Further to the January 2021 Cabinet resolution, work is ongoing to procure and appoint a housing management agent. During 2021 a soft market testing exercise was undertaken with Registered Providers (RPs) currently operating in Sefton to help understand the appetite in working with the Council to support activities in delivering Council housing including potential development expertise and options for housing management and maintenance services.
- 4.4 Feedback was generally positive, and work is underway to undertake a full procurement exercise to appoint a Housing Management Agent. Under Section 27 of the Housing Act 1985, the Council will need to seek approval for its housing management arrangements and will follow guidance issued by the Regulator of Social Housing (RSH) in doing so.
- 4.5 Irrespective of its housing management arrangements, the Council will remain accountable as landlord. Procurement of a service will include detailed specification, a specialised contract between the Council and Registered Provider and a robust performance framework that will be used to report to the Council across financial, operational, and regulatory services.
- 4.6 In addition to the work to progress the acquisition of homes at Buckley Hill Lane, work is ongoing in relation to the wider Business Plan for the provision of council housing which will include consideration of the Council's decision-making framework and constitution relating to future council housing stock and how and where reports will be considered, and decisions taken. A future report will be bought to Cabinet setting out the Business Plan as agreed in January 2021.

### ***Regulatory Requirements***

- 4.7 Registered Providers of Social Housing in England are regulated by the Regulator of Social Housing (RSH) as legislated through the Housing and Regeneration Act 2008 with Section 114 setting out the requirements for the registration of Local Authorities.
- 4.8 Sefton Council are now registered as a Registered Provider of Social Housing with the RSH based on the intention to provide council housing. Registration is also required for any providers seeking to apply for grant funding through Homes England's AHP.
- 4.9 The Council will need to ensure compliance with legislative and regulatory frameworks in delivering its landlord function including the setting of rents and service charges for its rented properties. Rents are to be set according to Government formula in accordance with the policy statement on rents for social housing and in compliance with the RSH Rent Standard.
- 4.10 Tenancy agreements will need to be provided for each property that the Council lets. There are certain types of tenancy that a Council can grant to its tenants; the appropriate tenancy type and standard template would need to be developed ready for when the properties are handed over and expert legal advice would be required to support with this. Once prepared, tenancy agreements can then be used for any future properties that the Council may deliver providing that they are suitable.

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- 4.11 Similarly, arrangements will need to be developed for the sale of shared ownership properties. Homes England have developed various model leases for houses and flats to assist shared ownership providers, however this is an area that the Council would need to seek legal advice on.

## ***Social Housing White Paper***

- 4.12 In November 2020, the Government published its Social Housing White Paper titled 'The Charter for Social Housing Residents' following consultation and engagement with social housing residents after the Grenfell Tower fire. The paper set out plans to raise standards, increase transparency and give social housing tenants a voice and ensure they are listened to. Many of the proposals set out in the paper require legislative changes to be introduced.
- 4.13 On 29<sup>th</sup> March 2022 the Department for Levelling Up, Housing and Communities have published draft clauses for social housing regulation with a view to delivering the transformational change. Primary legislation will be introduced when Parliamentary time allows. Regulatory changes will affect the regulation of social housing providers, including Local Authority providers and the changes will be monitored and considered throughout the new programme development.

## **Conclusion**

- 5.1 Following detailed financial viability appraisal and discussion and negotiation with Sandway Homes, delivery of the Council's first homes at Buckley Hill Lane can be achieved in financial terms and will meet the Council's strategic priorities by providing new, quality, safe and secure homes to households in housing need.
- 5.2 The original option of acquiring 9 apartments for rent is achievable and an additional alternative option to acquire 13 homes, 9 apartments for rent and 4 houses for shared ownership has now been presented for consideration. Shared ownership involves delivering a different type of tenure and brings a different set of risks for the Council including sales and marketing risk as well as resource requirements in relation to staircasing and additional maintenance costs brought by the new model. Whilst there are challenges, shared ownership offers an affordable route to home ownership and broadens the housing offer provided by the Council.
- 5.2 Further work is required around the operational aspects of delivering council housing including the housing management specification and housing management agreements, development of tenancy agreements and lease agreements, the setting of rents and service charges.
- 5.3 The new homes at Buckley Hill Lane will be the first of the Council's new homes for council housing and a separate Business Plan will be brought to Cabinet to set out proposal for a new Council Housing Programme in Sefton.

# Sefton Council Housing

## Business Case: Provision of Council Housing at Buckley Hill Lane, Netherton

April 2022



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## 1. Executive Summary

### 1.1 Introduction

In January 2021, Cabinet agreed the strategic case for Sefton Council re-entering the social housing market through the provision of Council Housing for rent and gave authority to negotiate the terms to acquire one block, comprising nine apartments at Buckley Hill Lane Netherton, as the start of its future stock of Council Housing from Sandway Homes.

Development of this Business Case has been prepared at the start of Sefton's Council Housing journey and considers the first development acquisition by the Council as the start of its future Council Housing stock.

Provision of Council Housing at Buckley Hill Lane will:

- Provide additional social rented homes within Netherton of the size and type to support housing need
- Provide new homes that are affordable
- Provide good quality homes to households registered on the housing waiting list Property Pool Plus
- Provide a number of ready adapted homes to meet the needs of households requiring level access accommodation

### 1.2 Strategic Context

Provision of Council Housing at Buckley Hill Lane aligns and supports the delivery of the Council's corporate and strategic priorities including the Sefton Vision 2030 and Core Purpose and Housing Strategy. Homes provided will be of high-quality and will be let at social rent thereby providing homes at affordable and reduced cost supporting households in housing need.

### 1.3 Summary of Proposal

The site at Buckley Hill Lane is being developed by Sandway Homes as a mixed tenure development. The majority of homes on the site will be available for open market sale and will be sold directly by Sandway Homes. Affordable housing is being provided as part of the mix of homes and an offer made to the Council to acquire a proportion to deliver as Council Housing.

In providing social housing for rent, the Council has two options over how it wishes to set rents. Social rent is typically 50-60% of local market rents, set according to Government formula and provides the lowest and most affordable social housing offer. Service charges are charged separately on top of the social rent amount to cover the cost of providing communal or shared services to buildings. Affordable rent is generally higher, set at up to 80% of local market rents inclusive of service charges. Affordable rents are often capped at Local Housing Allowance rates to ensure that rents are not set too high in relation to local market context. In providing a truly affordable housing offer, the preference is to charge social rent for Council housing delivered at Buckley Hill Lane.

Two acquisition options are considered in this Business Case:

1. Base Case Option: 9 social rent homes to be provided within a single apartment block, 6 x 1-bedroom and 3 x 2-bedroom apartments with all ground floor apartments being level access and adapted to include level access shower facilities. All apartments are self-contained, each accessed through their own front door. Communal areas include hallways and stairways allowing access to each apartment.
2. Alternative Option: The 9 social rent homes detailed at option 1, plus a further 4 x 2-bedroom houses to be delivered for shared ownership. A total of 13 affordable homes across two tenure types.

## 1.4 Financial Implications

A full financial viability appraisal has been undertaken for both acquisition options to understand costs to the Council in acquiring the properties and the long-term management and maintenance of the homes.

Both options are not financially viable to deliver solely relying on internal capital funding from the Council. Financial appraisal demonstrates that both options generate a negative net present value based on the purchase price agreed for the social rent homes and all assumptions included within the appraisal. This is consistent with appraisals carried out by other local authorities for similar schemes. Viability presents a challenge in delivering social and affordable housing schemes given that the rents charged to tenants are typically a lot lower than market rents and therefore produce a lower rental return through which to offset operational costs and provide operational housing management and maintenance services. Homes England have introduced a new Affordable Homes Programme (AHP) for 2021-26 providing grant funding to support the development of affordable homes including social rent, affordable rent and shared ownership.

In order to make both options financially viable, the Council would need to bid for and secure grant funding from Homes England through the AHP. The grant funding levels required based on each option are detailed at section 5 of the Business Case within the Financial Case. The risk register at Appendix 5 recognises that there is a risk to the Council that Homes England grant funding does not support the scheme. If this risk does arise then a further report will be brought to Cabinet to reflect the Council's position and consider alternative options in acquiring Council housing from Sandway Homes. Actions are in place to mitigate this risk including consultancy support to prepare a robust, competitive and compliant bid and regular contact with Homes England to discuss grant funding potential and the Council's position.

Both appraisals are based on a set of assumptions which have been benchmarked with the affordable housing sector and reviewed by external consultants.

## 1.5 Conclusion and Recommendations

The Business Case identifies that there is a strategic case for the Council to deliver Council Housing of the type and size proposed and offered at Buckley Hill Lane. Robust financial viability appraisal and assessment of the strategic and management case demonstrates that the acquisition of homes is deliverable in financial terms, however grant funding will be required to support this to bridge the gap, the risks can be

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managed, and a range of outcomes will be achieved from its delivery including to provide quality affordable homes to those in housing need in Sefton.

## 2. Strategic Case

### 2.1 National Policy Context

In recent years, there has been growing acceptance in Government that Councils need to play a greater role in meeting new build housing targets. Government target is to deliver 300,000 homes a year by the mid-2020s, and Councils are encouraged to support this target in going beyond any statutory duty in planning and housing.

In 2017, the housing white paper 'Fixing Our Broken Housing Market' referenced the good and innovative examples of Councils delivering housing including through local housing companies delivering a range of tenures. Sefton Council recognise the importance of providing good quality homes for the residents of Sefton and have responded in part through the creation of Sandway Homes, the Council's wholly owned development company.

Further measures have also been introduced by the Government to support Councils in their housing delivery including:

- Enabling Councils to hold up to 199 homes in the General Fund before needing to reopen a Housing Revenue Account allowing those with little or no stock to prudentially borrow through the General Fund to build
- Removal of the borrowing cap on the Housing Revenue Account enabling Councils to increase borrowing capacity to invest in new social housing
- Widening funding accessibility through the new AHP and inviting Councils to apply as a strategic partner to support larger development programmes
- Introducing flexibilities on how local authorities can use receipts from Right to Buy sales to generate additional development

### 2.2 Local Policy Context

#### Sefton Vision 2030 and Core Purpose

Sefton Vision 2030 sets eight visionary outcomes for Sefton as a borough following extensive consultation with residents, stakeholders and businesses setting out the place that Sefton strives to be by 2030.

Delivery of Council Housing will provide an alternative and additional social housing offer across Sefton and so directly contributes to the vision to allow people to live, work and have fun in Sefton pledging to ensure housing choice across all types and tenures across the borough.

Social housing not only provides a roof and somewhere to live but offers wider benefits to the involvement and creation of communities, social value offers around employment and training and through the

procurement of services can support the local economy. Reviewing the Sefton 2030 outcomes, council housing supports at least five of the eight outcomes.

As well as providing quality, affordable housing, Sandway Homes are committed to bringing added social value to the borough and to residents of Sefton. Sandway's Board of Directors have set a challenging Balanced Scorecard which includes targets for delivering social value. Sandway are now actively developing on two other sites in Sefton (Hey Farm Gardens, Crossens and Sandy Brook, Ainsdale) and have been tracking progress towards their targets, including employment targets.

Jobs have been created so far for six Sefton residents and Sandway will be looking to exceed their total target of eight new job opportunities through the development of Buckley Hill Lane. Sandway actively engage with their building contractor and Sefton@Work to provide opportunities where possible, with a further request that sub-contractors do the same. Whilst the Covid-19 pandemic has created challenges in being able to provide opportunities for residents who are not currently in employment, education, and training, Sandway will be looking to provide three further opportunities for Sefton residents who fall into this category and will similarly be working with partners to offer in the region of six apprenticeships.

Once work has commenced at Buckley Hill Lane, Sandway aim to actively engage with Hugh Baird College Construction Department to engage in events to inspire students and, when relevant, offer work placement opportunities during the appropriate phases of construction. Further engagement is planned for Buckley Hill Lane as has been done across other sites to engage with local schools to promote the construction industry and the work Sandway do.

Sandway also actively engage with local communities and neighbourhoods of their developments through issuing newsletters, ensuring residents can contact to raise concerns, issues and suggestion and undertaking voluntary work such as they have done in Ainsdale with the local Community Centre to clear and make 'winter safe' a number of woodland paths used by local residents.

Further social value will be brought through the housing management arrangements that will be in place to manage the homes that the Council acquires and may include tenancy support such as money advice, community development, employment, and training support. Services will be determined as the Council goes through the procurement and appointment of a housing management agent and the extent of the role and cost of services is agreed.

## Sefton Local Plan

The Sefton Local Plan sets a requirement for 11,520 new homes, including affordable homes across Sefton to 2030 to be built at a rate of 650 homes per year. Sandway Homes are supporting and contributing to this target having received planning permission for all three sites as part of their phase 1 development programme with a further three sites recently approved to be released by the Council to support phase 2 of the programme in delivering a further estimated 303 homes.

In bringing sites forward, Sandway Homes are working to provide mixed tenure schemes across open market value homes and a mix of affordable homes to meet housing need.

## Sefton Housing Strategy

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Sefton Housing Strategy 2016-2021 sets the vision to *“Continue to make Sefton a great place to live, by ensuring that people can access high quality housing appropriate for their needs”*. The strategy not only considers the delivery of new homes but the impact that housing can have on the local environment and quality of life of residents and communities in Sefton.

Sefton’s current Housing Strategy is expected to be refreshed in summer 2022, with the draft Strategy open for public consultation in April 2022. The emerging Housing Strategy builds upon themes and priorities identified in previous strategic housing documents and helps address the significant local and national housing challenges that Sefton’s residents face.

One of the key housing priorities of the draft strategy, identifies how; the Council can effectively utilise its assets to support housing delivery by: **Providing additional housing opportunities; by registering as a social landlord to develop, own and manage housing stock**. The emerging Housing Strategy also references the additional work and adherence to social housing statutory frameworks and financing, that all need to be addressed through development of a future Business Plan for Council Housing provision. This will help to ensure the successful delivery of a Council Housing programme, alongside the acquisition of Council-owned properties to meet Sefton’s housing needs.

## Homelessness Strategy

Sefton Homelessness and Rough Sleeping Strategy 2018-2023 sets out how the Council will address and tackle local issues relating to homelessness and rough sleeping. Analysis of homelessness levels suggest a likely increase in future homelessness levels due to economic and housing market factors, with issues of affordability creating pressure on the need and supply of affordable housing.

Provision of Council Housing will make more homes available including to homeless households with the opportunity to allocate 100% of rented properties through the Council’s choice-based lettings scheme Property Pool Plus.

## Tenancy Strategy

All Local Authorities have a duty to publish a Tenancy Strategy to help guide Registered Providers (RPs) of social housing operating within the local authority area in making decisions about the types of tenancies offered. The Liverpool City Region Tenancy Strategy 2016-19 sets out how Sefton and neighbouring authorities would like RPs to make use of their flexibilities in the kind of tenancies they grant, the circumstances in which they will be granted, the length of tenancy where fixed-term tenancies are offered and the circumstances in which further tenancies will be granted at the end of a fixed-term tenancy.

The Tenancy Strategy is currently being reviewed for the Liverpool City Region. The newly developed strategy was considered by Sefton Council Cabinet in March 2022 and the decision made that the Liverpool City Region Tenancy Strategy 2022 be adopted. A report will now be taken to a future meeting of the Liverpool City Region Combined Authority for endorsement and each of the Liverpool City Region authorities will seek approval through their individual formal decision-making process prior to the adoption of the finalised strategy.

## 2.3 Housing Need

### Affordable Housing Need

Sefton's Local Plan identifies that there is a need for affordable housing, including rented homes across the borough. The latest Strategic Housing Market Assessment (SHMA) 2019 evidence continues to support the need for more affordable homes, particularly in the North of the borough.

The SHMA evidences a net need for 391 affordable homes per year as shown in the table below with 51.4% of households unable to afford market housing.

Table 1: SHMA 2019 Estimated Need for Affordable Housing by sub-area

<b>Figure 4.16: Estimated Need for Affordable Housing by sub-area (per annum)</b>						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Southport	46	266	77	389	163	226
Formby	6	61	6	73	13	60
Maghull/Aintree	11	86	17	113	36	77
Crosby	19	137	70	226	153	73
Bootle	18	142	174	334	351	-17
Netherton	15	126	171	313	341	-28
<b>Total</b>	<b>114</b>	<b>819</b>	<b>515</b>	<b>1,448</b>	<b>1,057</b>	<b>391</b>

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

SHMA evidence suggests that there is an adequate supply of general needs rented housing across the South of the borough (Bootle/Netherton), however there remains a need for smaller 1- and 2-bedroom homes, some larger homes (4+ bedroom) and some specialist accommodation such as homes for people with disabilities. Across the remainder of the borough there is a shortage of general needs rented housing of most types.

Property Pool Plus (PPP) is the Choice Based Lettings Scheme in place in Sefton allowing households looking for affordable housing to rent to register and apply for housing. Data from PPP shows that there are currently 3,847 households registered for rented affordable housing in Sefton, 61% have an assessed housing need and over half, 53% require a 1-bedroom home to meet their housing need. Of the properties advertised to let there are, on average 113 bids made per property. Data also demonstrates strong demand for adapted properties with 207 households requiring an adapted property compared to 34 adapted properties being advertised to let. All figures are taken from Quarter 3 2021-22.



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The SHMA recognises the likely demand in Sefton for affordable home ownership homes and suggests that shared ownership is likely to be the preferred product due to requiring a much lower deposit and lower overall costs. Recognising the adequate supply of general needs rented housing in Bootle and Netherton, Planning policy requires a tenure split for affordable housing in these areas of 33% affordable or social rent; 67% affordable home ownership. The SHMA does recognise that Bootle and Netherton are affordable in relation to accessing home ownership on the open market due to lower house prices, however, shared ownership will provide further housing choice in the area and aligns with the preferred choice of product for affordability.

## 2.4 Existing Arrangements

Affordable housing in Sefton is predominantly delivered in two ways, through direct development by an RP or by a developer through respective planning obligations which may include the transfer of homes once built to an RP.

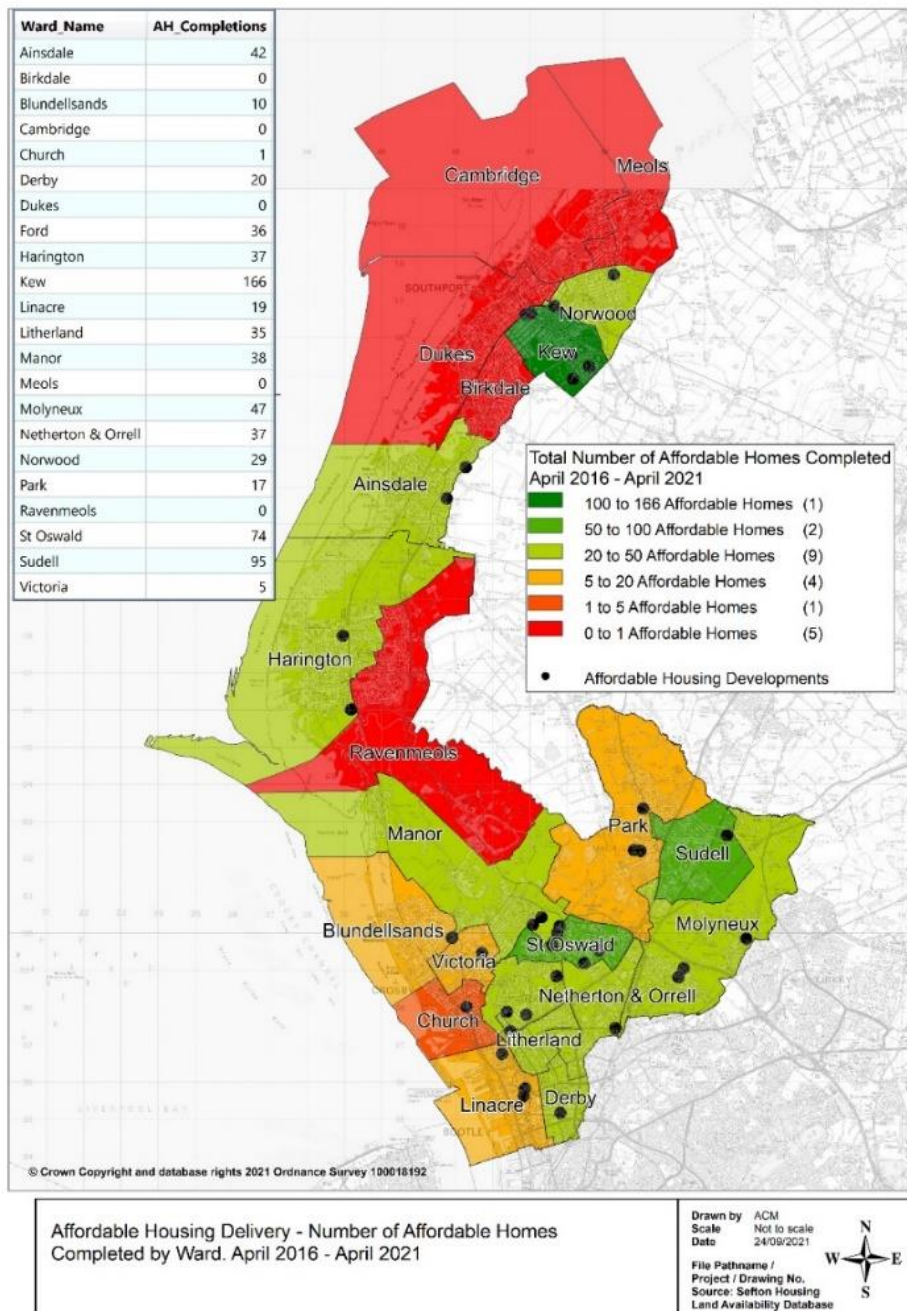
Housing development sites delivering 15 or more homes are required to provide affordable housing on-site in accordance with planning policy requirements. Policy requires 15% affordable housing on sites in Bootle and Netherton with a tenure split of 33% social or affordable rent:67% affordable home ownership homes. In all other areas of Sefton, the requirement is to provide 30% affordable housing with a tenure split of 67% social or affordable rent:33% affordable home ownership homes.

The map at Figure 1 below shows the number of affordable homes completed by ward area between April 2016 and April 2021. Data shows that affordable housing delivery has predominantly been focused toward South Sefton with much lower delivery across North Sefton.

Historically, rented housing within the social sector has been at social rent level as set according to Government formula, calculated based on the relative value of the property, relative local income levels and the size of the property. Through the Localism Act 2011, Government introduced Affordable Rents allowing RPs to set rents at up to 80% of market rents. This higher rent level meant that RPs could generate additional income to invest in new social housing development thereby reducing the level of Government investment and grant rates required to develop new homes. Since 2011, the majority of new build rented homes within the social sector have been at the higher Affordable Rent level.



Figure 1: Affordable Housing Delivery – Number of Affordable Homes Completed by Ward April 2016 – April 2021



## 2.5 Strategic Fit

Sandway Homes, the Council’s wholly owned housing development company, created in 2019 is currently pursuing new-build developments on land purchased from the Council. Three sites form their Phase 1 development programme including Barton Close, Crossens; Meadow Lane, Ainsdale and Buckley Hill Lane, Netherton.

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Whilst the majority of homes that Sandway Homes develop will be for open market sale, developments will include provision of on-site affordable housing. At a previous Cabinet meeting in July 2019, it was resolved to request Sandway Homes to identify up to five homes for purchase by the Council through their Phase 1 programme. Planning permission was secured for the Buckley Hill Lane development in June 2021 and the opportunity has arisen for the Council to purchase and acquire a single block of 9, one and two-bedroom apartments to offer as Council Housing for rent to meet the housing needs of Sefton and particularly the housing need identified in Netherton for smaller 1-bedroom homes.

In addition to the 9 Council homes for rent, the development will provide 4 shared ownership homes which have now also been offered to the Council for purchase and 50 market sale homes to be sold by Sandway (63 homes in total). The site is allocated for housing within the Sefton Local Plan and sits bounded by the Northern Perimeter Road. A plan of the site is included within Section 7, Appendix 1.

## 3. Economic Case

### 3.1 Options Appraisal

The options available to the Council to deliver its objectives:

- I. **Do nothing** – continue with the Council’s current approach and enabling role to bring forward affordable housing in the borough. This option would see an RP acquire the homes from Sandway Homes and the Council would not enter the social housing market to social housing. Whilst affordable housing will still be delivered, this does not meet the strategic benefits that have been identified in the Council entering into direct provision, including delivering homes specifically to meet housing need and at a lower rent level.
- II. **Acquire the Base Case Option with Grant** – This option would see the Council acquiring the 9 apartments to deliver as social rent with the inclusion of grant funding from Homes England to bridge any viability gap. The additional 4 shared ownership homes would need to be delivered by another RP thereby having two providers on the site with a small number of homes each.
- III. **Acquire the Alternative Option with Grant** - This option would see the Council acquiring the 9 apartments to deliver as social rent as well as 4 houses for shared ownership with the inclusion of grant funding from Homes England to bridge any viability gap. The Council would then be the sole provider of affordable housing on the site which would be a preferred approach to a second provider acquiring only a small number of homes. Offering shared ownership would also broaden the housing offer provided by the Council.
- IV. **Acquire the Base Case Option or Alternative Option without Grant** – This option would see the Council acquiring either the 9 apartments to deliver as social rent or the 13 homes including the additional 4 houses to deliver as shared ownership solely funded by the Council. However as demonstrated within Section 5, both options are unviable for the council to deliver in financial terms and therefore this option is not recommended.

## Preferred Option

Option 3 – Acquire the Alternative Option is the preferred option to proceed. Applying for and securing grant funding from Homes England will enable the acquisition to become financially viable for the Council to deliver. This option provides a fit with the strategic case and will provide homes at social rent to those in housing need in Sefton. Further, the additional 4 shared ownership homes will provide additional housing choice to those living in Netherton and widen the Council's housing offer providing an additional affordable housing option.

## 3.2 Value for Money

Working with Sandway Homes through acquiring units means that the Council would not need to employ its own technical and design team to oversee the construction and delivery of new build homes. There is a requirement however to have the necessary project management and clerk of works support in place to ensure that any commercial terms agreed with Sandway Homes to acquire the homes are met and to ensure acquisition and handover of the homes into management.

## 3.3 Social Value

Early dialogue with Sandway Homes has enabled provision to be made for smaller 1-bedroom and 2-bedroom homes as driven by housing need and demand data and specifically address areas where there is a shortage of housing type/size in the Netherton area of the borough.

The apartment block is a three-storey apartment block part of a wider mixed tenure development and has been designed to a high specification. Specifically, the three apartments on the ground floor will provide level access homes with the request to include for level access shower facilities. Parking provision is provided at one space per 1-bed apartment and two spaces per 2-bed apartment with additional cycle and bin storage.

The intention is for the scheme to be developed for social rent and given the level access and adaptability of the apartments; the scheme is well suited to be aimed at more vulnerable groups of people who may have bespoke needs for such accommodation including older tenants.

# 4. Commercial Case

## 4.1 Asset and Land Ownership

A formal commercial contract will be entered in to between Sefton MBC and Sandway Homes to agree the terms and conditions for the acquisition of the homes. The acquisition will involve purchase of the freehold land on which the apartments will be built, and Sefton MBC will retain ownership of the apartments in the long term.

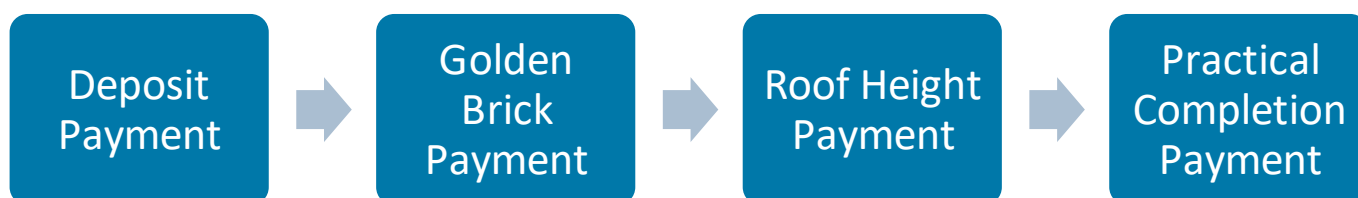
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Through discussion and negotiation to date, a deposit payment will be made to Sandway Homes upon exchange of contracts. From here, the payment terms will be based on what is known in the sector as a Golden Brick arrangement.

Golden Brick refers to the point at which the build of dwelling(s) reaches above foundation level once the 'golden brick' has been laid, generally, the first course of bricks above the foundation. Once this milestone has been reached, a further payment will be made to Sandway Homes, and apartments and land will be transferred to Council ownership. The remaining construction will then take place under separate agreement to build completion and handover of the apartments and payments staged according to the development progress and key development milestones.

This form of arrangement is well known and used amongst housing developers and RPs. Figure 2 below details the anticipated payment milestones; this is to be agreed and finalised through contract negotiation with Sandway Homes.

Figure 2: Proposed Payment Milestones



## 4.2 Rental Income

Each apartment will be made available for social rent and let to households in housing need providing a long-term rental income for the Council. Social rents exclude service charges and where service charges are required (i.e. a charge to cover the cost of providing communal or shared services to a building and/or surrounding estate) these will be in addition to the rent. Any charge paid by the tenant will cover the cost to provide the service.

Section 5 provides full details on the financial model adopted for the purpose of assessing financial viability of the scheme. The model includes for assumed management and maintenance costs as well as long term major repairs, empty property allowance (void periods) and bad debts (non-payment of rent and tenant arrears).

## 4.3 Right to Buy

Detailed information is provided at 6.3 in relation to the tenancy types that will be considered for tenants of the apartments. There are a number of tenancies that could be used by the Council in letting properties, including introductory tenancies (usually for 12 months), secure tenancies and flexible tenancies. Right to Buy is available to most Council tenants through both secure and flexible tenancies subject to the tenant

meeting the eligibility criteria. The maximum discount through Right to Buy is currently £84,600 across England increasing in April each year in line with CPI. Discounts differ depending on the property type:

Houses – 35% discount if a public sector tenant for between 3 and 5 years. Increases by 1% for every year over 5 years to a maximum of 70% or £84,600 (outside of London), whichever is lower.

Flats – 50% discount if a public sector tenant between 3 and 5 years. Increases by 2% for each year over 5 years to a maximum of 70% or £84,600 (outside of London), whichever is lower.

As an example, a tenant with the maximum discount eligibility could buy an apartment worth £100,000 with a £70,000 discount (the lower of 70% or £84,600) and purchase for £30,000 of which the Council then have available to reinvest.

Local Authorities are required to calculate the cost floor figure to arrive at the discount eligibility. The cost floor figure is the amount of money spent on an individual property in the 15 years prior to a Right to Buy application being made (10 years prior to 1<sup>st</sup> April 2012). The cost floor amount consists of the cost of construction, acquisition, repair, or maintenance works.

Accounting for any cost floor figure will likely mitigate the risk to the Council of a property being sold within the first 15 years as the discount may be nil or negligible. Irrespective, the Right to Buy will remain and even if the discount was nil or negligible, a tenant can still progress with a Right to Buy application.

Through the development of the Council Housing Business Plan over the coming months, work will be undertaken to full assess the Right to Buy risk and impact on the Council Housing Programme. Unless Government policy changes, the Right to Buy through direct council housing delivery remains a requirement and therefore risk.

## Spending of Right to Buy Receipts

In March 2021, the Government published a response to the consultation 'Use of receipts from Right to Buy sales' which focused on offering Local Authorities greater flexibility in how to use Right to Buy receipts to deliver replacement homes. The majority of changes came in to place on 1<sup>st</sup> April 2021 including:

- Extension from 3 to 5 years to spend Right to Buy receipts
- Increase to the percentage cap of receipts that can be spent on the construction of new homes from 30% to 40% - to support viability of social rent
- Flexibility on tenure to include shared ownership and First Homes
- Cap on the use of Right to Buy receipts for acquisitions introduced April 2022, phased over 2022-23 to 2024-25 (excludes purchases from Council's housing company)

The Government have also confirmed the commitment of one-for-one replacement of homes sold and confirmed that it does not plan to allow for the combining of Right to Buy receipts with other grant funding due to concerns of value for money and slowing down of building.

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## 4.4 Council Resources

Delivering new Council Housing and operating as a landlord requires a new service to be delivered to tenants of the Council. The management case below sets out further as to how the new service and homes will be managed. Given that these homes are the first 9 of the Council's new housing stock. Resourcing implications will be considered further within the Business Plan for the wider council Housing Programme and in alignment with the scale of the programme. Resources will be required across Housing, Legal and Property.

## 5. Financial Case

The Financial Case is appended to this Business Case as an exempt appendix and can be found at Appendix 3 to the Cabinet report.

## 6. Management Case

### 6.1 Management and Maintenance Resource

#### Housing Management Requirements

The January 2021 Cabinet report gave authority to pursue the procurement of a suitable housing association to provide the required housing management services for Council Housing. Table 7 provides an indication of the skills required to deliver housing management services to tenants of Council Housing. Please note that the list is non-exhaustive and there may be a range of additional social value related services provided as part of a housing management service.

Table 7: Scope of Housing Management Services

Service Type	Activity	Typical Staff Resource
<b>Contractual</b>		
Rents and Service Charge Collection	Rent and service charge collection and administration Arrears management Bad debt recovery	Finance Officer Tenant Liaison Officer
Allocation and Letting of Properties	Advertising of properties Viewings Bid management Allocation References Starter pack and welcome	Housing Manager
Tenancy Management	Customer Service	Call Centre Contact Staff



	Social and welfare support Complaints Anti-social behaviour Tenancy Enforcement	IT Support Manager Tenant Liaison Officer Enforcement Officer Legal Officer
Estate Management	Cleaning and repairs of communal areas and local area Grounds Maintenance Parking	Estate Manager
Repairs and Maintenance	Responsive repairs Maintenance Gas Fire Electrical Water Inspection Remedial work Re-inspection	Asset Manager Surveyor Project Manager
<b>Social</b>		
Tenancy Support	Benefit advice Budgeting and debt advice	Money Advice Officer
Housing and Health	Housing support services	Tenant Liaison Officer
Community Development and Regeneration	Community engagement and activities Tenant Involvement and Engagement	Community Engagement Officer Tenant Engagement Officer
Employment Support	Job support Training and development advice and support	Employment Support Officer

Given the range of services that the Council would be required to put in place in order to deliver a service in-house, outsourcing to an existing RP with the infrastructure already in place is the most economical option given the number of homes that the Council is looking to acquire with this initial acquisition.

### Registered Provider Engagement and Procurement

Following the resolution of the January 2021 Cabinet report, early engagement has taken place with local RPs to understand the appetite in working with the Council to provide a housing management and maintenance service for Council properties and to Council tenants. Feedback was generally positive with willingness from a range of providers to in principle work with the Council. Housing management arrangements will need to be in place prior and ready for the handover of properties and a formal procurement exercise will be undertaken in order to appoint a management agent.

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## 6.2 Development Process

Homes are to be acquired through acquisition and purchase upon build completion meaning that Sandway Homes will undertake the design and construction work for the build. As noted in paragraph 3.1, the Council would not need to employ its own technical and design team to oversee the construction and delivery. However, there would be a requirement for the Council to have a development resource in place to oversee the acquisition and handover process and to ensure that the homes are being constructed and delivered in accordance with the commercial contract that will be in place between the Council and Sandway Homes. As a minimum, this resource will include a Project Management role and Clerk of Works.

## 6.3 Council Tenancies

Prospective tenants of the properties at Buckley Hill Lane will be Council tenants and irrespective of the housing management arrangements in place, Sefton Council will be the responsible and accountable landlord of the properties.

The Council has the option of issuing three types of tenancies to its tenants. Aside from Introductory Tenancies, all tenants of Council properties will have the Right to Buy. Table 8 below sets out the tenancy options and respective tenant rights.

*Table 8: Council Housing Tenancies*

Tenancy Type	Length	Tenancy Description	Tenant Rights
Introductory Tenancy	12 months	For new Council tenants only. Subject to a successful introductory period, the tenant will then become a secure or flexible tenant.	Cannot make major improvements to property, cannot swap property with another tenant, cannot take a lodger, or sublet property, cannot apply to buy through Right to Buy
Secure Tenancy	Typically, lifetime	Secure tenants have strong rights and can only be evicted in certain situations. Tenancies are usually granted for an indefinite period.	Permitted to rent out rooms, apply to buy the property through Right to Buy, swap home with another Council or housing association tenant, transfer the tenancy, make improvements to the property
Flexible Tenancy	Fixed period, usually at least 5 years	Tenancy for a fixed term, usually 5 years but can be between 2 and 5 years on special circumstances. At the end of the fixed term, the tenancy can be renewed, a secure tenancy offered or not renewed.	Permitted to rent out rooms, apply to buy the property through Right to Buy, swap home with another Council or housing association tenant, transfer the tenancy



Specialist legal advice will be required to prepare standard tenancy agreements and the use of tenancy agreements will need to be in line with the new Liverpool City Region Tenancy Strategy. A recommendation on the suitable tenancy arrangements and tenancy agreement will be made following specialist legal advice and approval for use requested to be delegated to the Executive Director of Place in consultation with the Cabinet Member for Communities and Housing.

## 6.4 Governance Arrangements and Regulation

Re-entering the social housing market and providing Council Housing involves compliance with legislative and regulatory frameworks that social housing landlords are required to meet to ensure the upmost health and safety of tenants living in their homes.

Registered Providers of Social Housing in England are regulated by the RSH as legislated through the Housing and Regeneration Act 2008. The RSH is an executive non-departmental public body, sponsored by the DLUHC. Regulatory requirements contain specific expectations and requirements that social housing providers are expected to achieve to ensure a financially viable, efficient, and properly governed social housing sector.

Sefton Council registered as a provider of social housing with the Regulator of Social Housing (RSH) on 26<sup>th</sup> November 2021 based on the intention to provide social housing in the near future. Upon handover of any properties, the Council will be required to notify the RSH that the status has changed to provider of social housing.

Service delivery for Local Authorities is governed by Councillors and prior to acquiring the homes from Sandway Homes and becoming a landlord, governance arrangements will be put into place to monitor and provide oversight of regulatory compliance. Regular reporting of rent compliance will be submitted to the regulator as well as internal assurance of consumer compliance with self-referral to the regulator made where there may be concerns of any breach.

### Social Housing White Paper

In November 2020, the Government published its Social Housing White Paper titled 'The Charter for Social Housing Residents' following consultation and engagement with social housing residents after the Grenfell Tower fire. The paper sets out plans to raise standards, increase transparency and give social housing tenants a voice and ensure they are listened to. Proposals within the white paper will take time to implement over the coming months and years with many requiring legislative changes to be introduced.

One of the fundamental proposals of the white paper is a move to a proactive approach to consumer regulation and removal of the serious detriment test as a measure of landlord performance. The RSH is currently actively engaging and consulting with social housing residents and other key stakeholders including landlords and tenant representative bodies and aims to roll out certain aspects such as new Tenant Satisfaction Measures in advance of full implementation of new consumer standards. This will need to be considered as part of the Council's proposed housing management approach and through the procurement of an RP to deliver the services.

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On 29<sup>th</sup> March 2022, the Department for Levelling Up, Housing and Communities published draft clauses for social housing regulation with a view to delivering the transformational change. Primary legislation will be introduced when Parliamentary time allows, and these changes will need to be closely monitored and reviewed to ensure ongoing compliance.

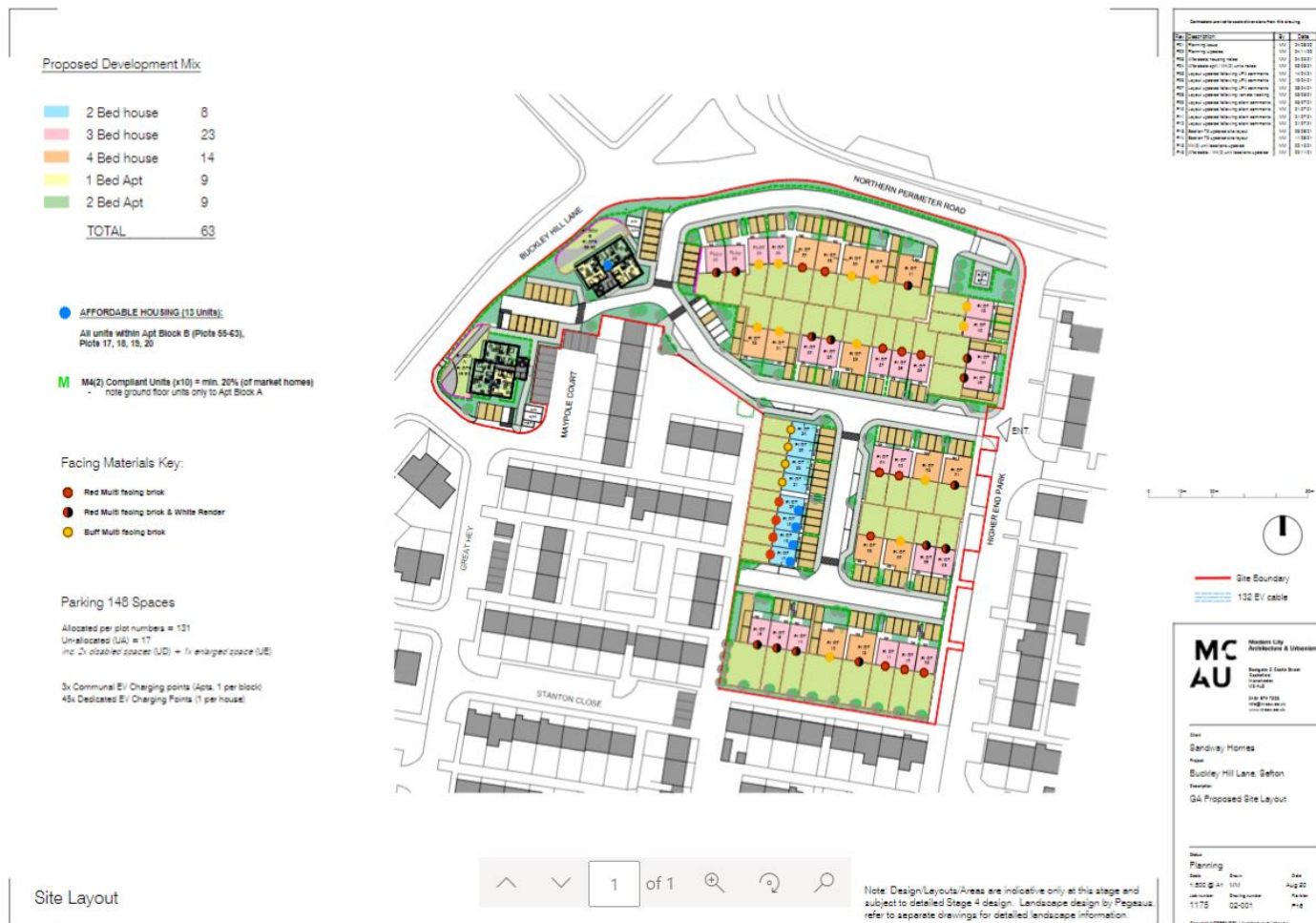
## 6.5 Risk Management

A detailed risk register is provided at Section 7, Appendix 5. Risks and controls will be monitored regularly to ensure that they are effective with actions implemented and new actions identified where appropriate to further mitigate. New risks will be added to the risk register where they are identified.

# 7. Appendix

## 7.1 Appendix 1 – Site Details (Site Plan)

### Site Details



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## 7.2 Appendix 2 – Proposed Apartment Plans

### Proposed Apartment Acquisition – Apartment Plans



## 7.3 Appendix 3 – Long Term Cash Flow – Base Case (9 Units)

### **Long Term Income and Revenue Costs**

The Base Case long term income and revenue cost is appended to this Business Case as an exempt appendix and can be found at Appendix 3 to the Cabinet report.

## 7.4 Appendix 4 – Long Term Cash Flow – Alternative Option (13 Units)

### **Long Term Income and Revenue Costs**

The Alternative Option long term income and revenue cost is appended to this Business Case as an exempt appendix and can be found at Appendix 3 to the Cabinet report.

## 7.5 Appendix 5 – Risk Register

### Risk Register

Details of Risk					Inherent Score	Controls / Mitigation	Residual Score	Actions				
Risk No.	Risk Description	Trigger	Result	Owner				Proposed Actions	Action Owner	Target Date	Target Score	Action Status
1	<b>Insufficient Funding -</b> Homes England grant funding does not support the scheme	The Council are unable to bid for grant funding due to planning condition restrictions <u>OR</u> A bid is made for grant funding through the Affordable Homes Programme 2021-26 but not awarded and an offer of grant not received <u>OR</u> Grant funding secured but later required to be repaid following failure in Compliance Audit of the scheme	Purchase of properties at Buckley Hill Lane is not viable and the Council chooses not to proceed with acquisition / council housing at Buckley Hill Lane <u>OR</u> Sefton Council required to bridge the gap from exiting finances and scheme ends up generating a negative return for the Council following payback of any previously secured grant funding	Strategic Housing	18	Continue dialogue with Homes England and Sandway Homes to confirm and protect the Council's position in bidding for grant funding  Appointed consultants with experience in Homes England Affordable Homes Programme to provide advice and support bidding and compliance Audit trail being maintained for the scheme  Robust financial viability appraisal undertaken to determine financial position and need to grant funding  Independent legal advice to be sought in respect of Homes England's Capital Funding Guide, grant funding contract and any other compliance requirements relating to the funding programme as required	14	Continue dialogue with Homes England to seek approval in principle prior to submission of a bid  Seek further advice in relation to proposed bidding route	Strategic Housing	Jun-22	10	Ongoing
2	<b>MHCLG Approval -</b> Failure to secure approval from MHCLG to hold homes in General Fund	MHCLG do not consent to the Council holding homes within the General Fund	Council required to open a HRA to hold council housing stock for 9 homes	Strategic Housing	5	Confirmation published on DLUHC website confirming a Local Authority can hold up to 199 homes outside the HRA  Preparatory work undertaken to confirm MHCLG position to issue a direction  Process and application forms obtained to ensure an application can be made at the required time	3	Application to be made to MHCLG as soon as practicably possible to apply for direction	Strategic Housing	Dec-22	3	Action due in accordance with Buckley Hill Lane build programme and acquisition timescales

3	<b>Housing Management Partner -</b> Failure to secure a Housing Management Partner to undertake the housing management and maintenance of the Councils stock	No interest from the Registered Provider sector to undertake the housing management and maintenance service on behalf of the Council	No management agreement in place in time to acquire and take handover of the first homes at Buckley Hill Lane  Council unable to let the homes and left with properties empty and no rental income	Strategic Housing, Procurement, Legal Advisor	5	Early engagement with Registered Providers  Soft Market Testing exercise undertaken to fully understand appetite of the sector to provide the service  Procurement exercise planned into the programme with appointment to take place with sufficient time prior to handover	9	Continued dialogue with RPs to inform specification for services  Service specification and contract developed to meet the needs of the Council and potential bidders	Strategic Housing, Procurement, Legal	Jun-22-Jan-23	5	Ongoing, service specification development and discussions with Procurement taking place
4	<b>Housing Need -</b> Insufficient demand and housing need to be able to let the homes	Fall in housing need for social rent homes of the tenure mix being provided caused by changes to the housing market	Council unable to let the homes that have been developed	Strategic Housing	6	Homes have been specified in consultation with the Strategic Housing team based on a robust evidence base and designed specifically to meet housing need and demand in the locality  Housing waiting list data demonstrates a healthy number of people who are in need of the type of homes to be provided	3	Continued monitoring of the housing evidence base information including data from the Councils Choice based Lettings Scheme Property Pool Plus	Strategic Housing	Ongoing	3	Ongoing
5	<b>Poor Quality Homes -</b> Homes provided are not to the required specification	Properties are not developed to the correct and agreed specification	Council left with homes that are unsuitable, of poor quality and not to the required specification	Development Agent	9	Sandway Homes as the Council's wholly owned development company are committed to providing high quality homes, including affordable housing  Contract to be entered into with Sandway Homes detailing specification  Regular meetings to take place with Sandway Homes and the contractor throughout the build process  Project oversight including Clerk of Works to monitor build  Staged payment agreement is to be put in to place with the final payment only paid once it has been confirmed that properties have been developed to the required standard and meet the specification covered by the relevant certification	6	Heads of Terms to be agreed for the acquisition  Full specification to be agreed through negotiations and embedded into the contract  Clerk of Works to be appointed at required point in the project	Development Agent	Build and Handover – contract period	3	Action to commence upon approval of the Business Case and factored into the programme
6	<b>Right to Buy -</b> Council housing sold through the Right to Buy	Government policy changes to Right to Buy enabling greater uptake  Increased availability of mortgages  Strong housing market	Loss of social housing stock  Higher than anticipated sales of social housing through Right to Buy  Loss of investment to the Council including cost to the Council	Strategic Housing	18	Calculating discount eligibility through the Right to Buy requires calculating the cost floor and accounting for the cost of constructing, acquiring, repairing, or maintaining the property within the last 15 years meaning a Right to Buy sale is less likely within the first 15 years	9	Continue to monitor Right to Buy throughout lifetime of lettings  Fully assess impact to the Council Housing Programme through the upcoming Business Plan work	Strategic Housing	Ongoing	5	Ongoing



7	<b>Rent Policy</b> - Rents to be set in accordance with the Government's Policy Statement on Rents for Social Housing and the Regulator of Social Housing Rent Standard	Five-year rent policy comes to an end in 2024-2025 or is changed within the 5-year settlement period resulting in a reduction to the modelled rental income assumed  Change to Government rent setting policy	Reduction in rental income to that assumed	Strategic Housing, Finance	18	Involvement in Government consultation, responses and lobbying as a new provider of social housing  Engagement with sector bodies such as NHC, NHF, CIH to support the sector  Assumptions made within the Financial Viability Appraisal based on sector evidence	8	Ongoing monitoring of Government policy changes and engagement with sector bodies and other providers to understand position and feed-in to any published consultations	Strategic Housing	Ongoing	8	Ongoing
8	<b>Economic Uncertainty</b> – Acquisition price changes due to continued increase in construction, material and inflation costs resulting from the impact of economic uncertainty, Brexit, and Covid-19	Sandway Homes are unable to maintain the price agreed for the acquisition	Cost of acquisition becomes financially unviable to deliver  Council housing is not delivered at Buckley Hill Lane  Increased level of grant is required and cannot be achieved	Strategic Housing, Finance, Property	21	Fixed purchase price to be agreed with Sandway Homes as soon as practicably possible  Negotiation to include discussions around market uncertainty and potential inflated costs  Robust Financial Viability Appraisal undertaken to determine offer to Sandway Homes  Contingency to be built into the Business Case to allow for a potential increase in acquisition cost	17	Ongoing discussion with Sandway Homes prior to agreeing Heads of Terms  Engagement with Homes England to understand timing of grant funding bid relative to agreeing a fixed acquisition price	Strategic Housing, Property	Ongoing	8	Ongoing





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## Equality Impact Assessment

An Equality Impact Assessment (EIA) stems from the general duty placed on public authorities to eliminate unlawful discrimination and is required to ensure that equality is placed at the centre of policy development and review, as well as service delivery. The purpose of this EIA is to analyse the likely impact of a service, policy or proposals on different community groups, and how the needs of such groups have been taken in to account in developing those proposals.

### Public Sector Equality Duty

The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions have due regard to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low

1. Name of Policy or Service	
Provision of Council Housing – proposal to deliver a new landlord service to tenants owned by Sefton Council	
2. Responsible Officer	
Suzanne Blundell	
3. Date EIA Completed	Review Date
03/02/2022	03/02/2023
4. Description and aims of policy / service / practice	
<p>Sefton Council transferred its housing stock to a housing association in 2006 and has not been a provider of social housing since this time. New provision of Council housing in Sefton will see the Council once again becoming a landlord of social housing and providing services to tenants in respect of housing management and maintenance.</p> <p>The Council is at the start of its journey to provide Council housing and over the coming weeks, months and years, operational practices will be introduced to enable the Council to</p>	

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deliver its landlord function and provide homes to households in housing need within Sefton. This EIA will therefore be continually reviewed throughout, and separate EIA's undertaken where appropriate and necessary for the development of new policies.

Homes will be provided through the Councils existing Choice Based Lettings Scheme known as Property Pool Plus (PPP) to households in housing need, this may include vulnerable households, households with disabilities and households with other protected characteristics under the Equality Act 2010. The PPP scheme has recently been reviewed following a period of public consultation and an independent EIA undertaken as part of the review.

Provision of new Council housing will provide an alternative social housing offer in Sefton to complement existing delivery of affordable housing by developers and Registered Providers and will support vulnerable residents in housing need by offering stable homes and tenancies.

## 5. Could there be any implications for a protected characteristic group (as defined by the Equality Act 2010) in this (or the development of) this policy/practice?

The protected characteristics under the Equality Act 2010 are:

Protected Characteristics	Impact	Comments
Age	+	Good quality housing is recognised as a key factor in promoting health and wellbeing and supporting independent living. Council housing will be developed to target housing need within Sefton and this includes meeting the need of older and younger people where a need is identified. Housing will be let through PPP which includes policies to support people of different age groups according to housing need.
Disability	+	Provision of Council housing will support and empower people to remain in their own homes and to live independently contributing to quality of life. New homes at the proposed Buckley Hill Lane development will deliver a proportion of accessible and adaptable housing within the social housing sector to meet identified need and reduce demand on other services.
Gender Reassignment	O	No differential impact identified
Marriage / Civil Partnership	O	No differential impact identified
Pregnancy / Maternity	O	No differential impact identified
Race	O	No differential impact identified
Religion or Belief	O	No differential impact identified
Sex / Gender	O	No differential impact identified
Sexual Orientation	O	No differential impact identified

Key	Impact
+	Positive
O	Neutral / Negligible
-	Negative
P	Potential Issue

## **6. What research / data / information have you used to support this process?**

Research / data / information used to support the proposal to provide Council housing includes the Sefton Local Plan, Strategic Housing Market Assessment, ONS data, Census data, Property Pool Plus data and empty property data.

## **7. Consultation**

The Council is at the start of its proposals to deliver Council housing in Sefton.

In 2016, an 8-week public consultation took place to consult on the draft Housing Strategy 2016-2021 with a variety of stakeholders and members of the public and the information obtained through this process was used to refine the draft document. Whilst this Housing Strategy is expected to be refreshed during 2022, all five priorities remain interlinked and relevant to the provision of Council housing:

1. Driving housing quality in communities and neighbourhoods
2. Meeting people's housing needs
3. Enabling people to live independently
4. Tackling barriers to obtaining suitable housing for the most vulnerable and ensuring equal access to housing services
5. Effectively utilising Council assets to support housing delivery

Further public consultation is expected April 2022 to consider a refreshed draft Housing Strategy.

Extensive 12-week public consultation has also recently been undertaken on proposed policy changes to the Council's PPP scheme, the scheme is a partnership scheme with other Local Authorities across the Liverpool City Region Combined Authority and enables the letting of social housing for rent in Sefton and the wider Liverpool City Region.

Consultation has also taken place with key partners and stakeholders including local Registered Providers and Homes England.

## **8. What are the potential implications or barriers?**

No implications or barriers have been identified at this time.

## **9. Evidence of addressing barriers and meeting public duties**

As Sefton Council develops its plans, policies, procedures and services relating to Council housing provision, this EIA will be reviewed and updated accordingly. Further EIA's will also be undertaken and introduced if and when required.

Monitoring of ongoing consultations will also inform the EIA assessment.

## **10. Outline any changes to be made to policy/practice because of this assessment**

No changes have been made at this stage. As the Council continues with its work to deliver new Council housing, a range of policies and practices will be developed. As policies and practices are developed, they will undergo Equality Impact Assessments to identify any potential impacts on each protected characteristics under the Equality Act 2010.

Further, Sefton's current Housing Strategy is expected to be refreshed in summer 2022,

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with the draft version of the document open for public consultation in April 2022. The emerging housing strategy builds upon themes and priorities identified in previous strategic housing documents and helps address the significant and national housing challenges that Sefton's residents face. One of the key housing priorities of this draft strategy identifies how; the Council can effectively utilise its assets to support housing delivery by: ***Providing additional housing opportunities; by registering as a social landlord to develop, own and manage housing stock.*** The new draft housing strategy is directly related to the provision of Council housing and the outcome of the future public consultation will be relevant to this EIA.

## **11. Progress update on actions required for the named policy/practice**

An initial EIA has been undertaken and no negative impacts have been identified. The EIA will be updated in 12-months time or sooner if found to be required.

## **12. Is a Full Equality Impact Assessment and Equality Action Plan required?**

No. A Full Equality Impact Assessment and Equality Action Plan is not required at this time. No negative impacts have been identified. Requirement for an action plan will be reconsidered at the point of review.