

MEETING: CABINET
DATE: Thursday 2nd September, 2010
TIME: 10.00 am
VENUE: Town Hall, Bootle

Member

Councillor

Robertson (Chair)
Booth
Brodie - Browne
P. Dowd
Fairclough
Maher
Moncur
Parry
Porter
Tattersall

COMMITTEE OFFICER: Steve Pearce
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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

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.

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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.	Apologies for Absence		
2.	Declarations of Interest Members and Officers are requested to give notice of any personal or prejudicial interest and the nature of that interest, relating to any item on the agenda in accordance with the relevant Code of Conduct.		
3.	Minutes Minutes of the meeting held on 5 August 2010		(Pages 5 - 14)
4.	Prioritisation and Strategic Budget Review Report of the Chief Executive	All Wards;	(Pages 15 - 20)
* 5.	Capital Programme Review Report of the Strategic Director - Communities	All Wards;	(Pages 21 - 72)
6.	Proper Officer and Monitoring Officer Functions Report of the Chief Executive	All Wards;	(Pages 73 - 76)
7.	Members' Allowances Joint report of the Director of Corporate Services and the Assistant Chief Executive	All Wards;	(Pages 77 - 86)
* 8.	The Local Land Charges (Amendment) Rules 2010 Report of the Assistant Chief Executive	All Wards;	(Pages 87 - 90)
9.	Treasury Management 2011/12 - First Quarter Update Report of the Interim Head of Corporate Finance and ICT Strategy	All Wards;	(Pages 91 - 100)
* 10.	Informed Assessment of the Economic Viability of Affordable Housing in Sefton Joint report of the Planning and Economic	All Wards;	(Pages 101 - 112)

Development Director and the Neighbourhoods
and Investment Programmes Director

**11. The Building (Local Authority Charges)
Regulations 2010**

All Wards;

(Pages 113 -
126)

Report of the Planning and Economic
Development Director

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 17 AUGUST 2010. MINUTE NO'S. 74 AND 84 ARE NOT SUBJECT TO "CALL-IN".

CABINET

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 5TH AUGUST, 2010

PRESENT: Councillor Robertson (in the Chair)
Councillors Booth, Brodie - Browne, P. Dowd,
Fairclough, Maher, Moncur, Parry, Porter and
Tattersall

ALSO PRESENT: Councillors Hands, Shaw and Weavers

68. APOLOGIES FOR ABSENCE

No apologies for absence were received.

69. URGENT BUSINESS

The Chair reported that he had agreed that the Cabinet would consider the item on Members Allowances (Minute No. 74) in view of the urgent need to consider the proposed amendments to the Scheme of Members Allowances and submit a recommendation to Independent Remuneration Panel prior to the Council meeting on 2 September 2010.

70. WELCOME TO HEAD OF CORPORATE LEGAL SERVICES

The Chair welcomed the Head of Corporate Legal Services, Jill Coule to her first meeting of the Cabinet.

71. DECLARATIONS OF INTEREST

The following declarations of interest were received:

Member	Minute No.	Reason	Action
Councillor Brodie-Browne	81- Transformation Programme - Review of Capital Programme	Personal - His wife is a teacher at Chesterfield High School which is referred to in the report	Took part in the consideration of the item and voted thereon
Councillor Robertson	81 - Transformation Programme - Review of Capital Programme	Personal - he is a member of Maghull Town Council which is referred to in the Playbuilder	Took part in the consideration of the item and voted thereon

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Capital Grant
Scheme report
considered
under this item

Councillor
Porter

81 -
Transformation
Programme -
Review of
Capital
Programme

Personal - she is
the Chair of the
Governors of
Merefield School
which may
receive funding
from the Target
Capital Fund,
referred to under
this item

Took part in the
consideration of
the item and
voted thereon

72. MINUTES

RESOLVED:

That the Minutes of the Cabinet Meeting held on 8 July 2010 be confirmed as a correct record.

73. CONSULTATION FRAMEWORKS ON BUDGET REDUCTIONS

The Cabinet considered the report of the Assistant Chief Executive on the proposed frameworks for consultation and engagement with Council employees in delivering savings and all stakeholders on changes to service delivery, which would need to be adopted to manage the significant reduction in the Council's budget(s) in the next three years.

RESOLVED: That

- (1) the consultation frameworks set out in the report be approved; and
- (2) specific proposals be submitted to the Cabinet once the scope and impact of budget reductions on staff and service delivery is known.

74. MEMBERS ALLOWANCES

The Director of Corporate Services submitted a report on the recommendations of the three Political Group Leaders for reductions to be made to the Scheme of Members' Allowances.

RESOLVED: That

- (1) the recommendations made by the Political Group Leaders in Section 2.3 of the report be referred to the Independent Remuneration Panel for consideration; and

CABINET- THURSDAY 5TH AUGUST, 2010

- (2) the Independent Remuneration Panel's response to the recommendations be reported to the Cabinet and the Council on 2 September 2010, or as soon as possible thereafter.

75. SOUTHPORT INDOOR MARKET

Further to Minute No. 358 of the meeting held on 15 April 2010, the Cabinet considered the report of the Strategic Director - Communities which provided an update on the progress made on the development of the refurbishment proposals for Southport Indoor Market and the associated Business Plan.

RESOLVED: That

- (1) the lowest tender submitted by ROK Build Ltd. of Rochdale in the sum of £2,236,039 in respect of the building refurbishment contract for the Southport Indoor Market be accepted;
- (2) the outcome of the due diligence exercise carried out on the Business Plan be noted;
- (3) the reduced overall scheme cost from £3.222m to £3.032m with the consequent reduction in capital financing costs be noted;
- (4) the improved viability of the project owing to the increased letting space to generate additional income contained within the revised Business Plan be noted; and
- (5) it be noted that the proposal was a Key Decision but, unfortunately, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) had been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the tender is only valid for the duration of the current Forward Plan.

76. SOUTHPORT CYCLE TOWN WORK PROGRAMME 2010/11

The Cabinet considered the report of the Strategic Director - Communities on the proposed entry of the Cycle Town Work Programme into the Capital Programme for 2010/11.

RESOLVED: That

- (1) the Cycle Town Work Programme be included in the Capital Programme for 2010/11; and

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- (2) it be noted that the revenue implications within the report would be funded from the Cycling England / Department for Transport Grant.

77. YOUTH CAPITAL FUND - PROPOSED SCHEMES 2010/11

Further to Minute No. 22 of the Meeting of the Cabinet Member - Children's Services held on 13 July 2010, the Cabinet considered the report of the Strategic Director - Children, Schools and Families seeking approval to the implementation of schemes to be funded from the Youth Capital Fund Allocation for 2010/11.

RESOLVED: That

- (1) the proposed schemes be approved as detailed in the report; and
- (2) the schemes be included in the Children, Schools & Families Capital Programme 2010/11; and

78. PROPOSED DEMOLITION OF BALLIOL HOUSE, BOOTLE

The Cabinet considered the report of the Environmental and Technical Services Director on the tenders received for the demolition of Balliol House, Bootle.

RESOLVED: That

- (1) the most advantageous Option A tender be accepted subject to the total scheme cost not exceeding £1,000,000; and
- (2) the Head of Corporate Legal Services be requested to enter into a formal contract with the successful tenderer.

79. KEW WOODS SCHOOL, SOUTHPORT - PROPOSED TWO STOREY CLASSROOM EXTENSION

The Cabinet considered the report of the Environmental and Technical Services Director on the tenders received in respect of the proposed construction of a two storey extension at Kew Woods Primary School, Southport.

RESOLVED: That

- (1) the lowest tender submitted by ROK Build Ltd. of Rochdale in the sum of £633,646 be accepted; and
- (2) the Head of Corporate Legal Services be requested to enter into a contract with the successful tenderer.

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80. PROPOSED REPLACEMENT NETHERTON ACTIVITY - TENDERS

Further to Minute No. 341 of the meeting held on 15 April 2010, the Cabinet considered the report of the Environmental and Technical Services Director on the final outcome of the tendering process for the construction of a replacement Netherton Activity Centre.

RESOLVED: That

- (1) the basis for the funding of the project set out in Section 3 of the report be approved;
- (2) the agreed Target Cost, which together with contingency allowance totals £4,507,789 be accepted; and
- (3) the Head of Corporate Legal Services be requested to enter into a formal contract with the successful contractor.

81. TRANSFORMATION PROGRAMME - REVIEW OF CAPITAL PROGRAMME

Further to Minute Nos. 75 to 80 above, the Cabinet considered the report of the Strategic Director - Communities which provided an update on the capital schemes which had not been contractually committed for completion.

The Strategic Director - Children, Schools and Families requested approval to the inclusion of the Chesterfield High School 14 to 19 Diploma Scheme and the Target Capital Fund - Special Educational Needs Scheme (£2m) in the Children, Schools and Families Capital Programme 2010/11.

The Cabinet also gave further consideration to the report on the Playbuilder Capital Grant Schemes which was deferred at the last meeting (Minute No. 58) pending the receipt of further report on the revenue and capital implications of the proposals.

RESOLVED: That

- (1) the Chesterfield High School 14 to 19 Diploma Scheme (£135k) to be funded from specific resources be included in the Children, Schools and Families Capital Programme 2010/11;
- (2) the sum of £2m in respect of the Target Capital Fund - Special Educational Needs Scheme, to be funded from specific resources be included in the Children, Schools and Families Capital Programme 2010/11 and the Strategic Director - Children, Schools and Families be requested to submit a report to a future Cabinet meeting on the revenue savings to be achieved from the inclusion of this scheme in the Capital Programme;

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- (3) the Overview and Scrutiny Committee (Performance and Corporate Services) be requested to undertake a review of the Asset Management Plan and in particular the revenue savings made from capital investment in schemes and a report on the review be submitted to a future Cabinet meeting;
- (4) officers continue to progress the remaining uncommitted capital schemes in the Annexe to the report which will receive ring-fenced grant monies;
- (5) the remaining uncommitted capital schemes in the Annexe to the report which do not have ring-fenced grant monies be reviewed at the next Cabinet meeting.

82. SHORELINE MANAGEMENT PLAN ADOPTION

Further to Minute No. 22 of the meeting of the Cabinet Member - Environmental held on 4 August 2010, the Cabinet considered the report of the Environment and Technical Services Director detailing the strategic coastal defence policies for Sefton for the next 100 years as presented in the North West England and North Wales Shoreline Management Plan review (SMP2).

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED:

That the policies set out in the North West England and North Wales Shoreline Management Plan for the Sefton Coastline be adopted.

83. DEVELOPING THE LOW CARBON ECONOMY

The Cabinet considered the joint report of the Planning and Economic Development Director, Neighbourhood and Investment Programmes Director and the Environment and Technical Services Director on the progress made since November 2009 in developing a policy for tackling climate change and the development of a Low Carbon Economy.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) the report be noted;
- (2) the Interim Framework for Action set out in Paragraph 4.1 of the report be endorsed;
- (3) approval be given to the commissioning of a Community Mapping Awareness Study;

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- (4) approval be given to the engagement with community and voluntary sectors;
- (5) approval be given to the sponsorship of a programme of Low Carbon Economy seminars for appropriate public sector agencies in Sefton;
- (6) the establishment of a Climate Change Forum be endorsed;
- (7) the lead officer responsibilities and the supervisory role of the Strategic Director - Communities be noted;
- (8) the creation of a Climate Change Network be endorsed; and
- (9) the proposal for a Sefton Climate Change Conference be supported and appropriate officers be requested to prepare and present a self-funding proposal.

84. FEED-IN TARIFF (CLEAN ENERGY CASHBACK) SCHEME - POTENTIAL OPPORTUNITIES

This item was deferred to enable officers to obtain further information on the scheme and submit a report to a future meeting of the Cabinet.

85. MERSEYSIDE SUB REGIONAL CHOICE BASED LETTINGS SCHEME

Further to Minute No. 34 of the meeting of the Cabinet Member - Regeneration held on 4 August 2010, the Cabinet considered the report of the Neighbourhoods and Investment Programmes Director which provided an update on the establishment of a Merseyside sub-regional choice based lettings scheme and the proposed governance arrangements.

The report also sought approval to the Council entering into a contract with an IT supplier for the provision of an IT system for the choice based lettings scheme and to the implementation of a consultation exercise being undertaken with stakeholders on the draft allocations policy.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) the draft Allocations Policy be approved for consultation according to statutory guidance;
- (2) the proposed governance arrangements be approved;
- (3) approval be given to the appointment of Abritas as the IT supplier;

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- (4) the estimated set-up costs of the scheme be approved;
- (5) that the Neighbourhoods and Investment Programmes Director be authorised to enter into an agreement with the other local authorities (Halton, Knowsley, Liverpool and Wirral, or at least 3 of them) to govern the implementation of the contract with Abritas referred to above;
- (6) the Neighbourhoods and Investment Programmes Director in consultation with the Head of Corporate Legal Services be authorised to enter into a contract with Abritas for the provision of the IT system;
- (7) the one-off set-up costs be met from existing provision in the Housing Capital Programme approved by the Council on 8 July 2010;
- (8) approval be given to continued development of the scheme with the sub-regional partners, and
- (9) a further report be submitted to the Cabinet Member (Regeneration) and Cabinet on the results of the consultation exercise on the Allocations Policy.

86. DISTURBANCE PAYMENTS FOR RESIDENTS MOVING AS A DIRECT CONSEQUENCE OF HOUSING MARKET RENEWAL REDEVELOPMENT ACTIVITY.

Further to Minute No. 35 of the meeting of the Cabinet Member - Regeneration held on 4 August 2010, the Cabinet considered the report of the Neighbourhoods and Investment Programmes Director on the proposed changes to the arrangements for, and amounts of disturbance payments to be made to residents (both tenants and owner-occupiers) moving as a direct consequence of Housing Market Renewal redevelopment activity.

RESOLVED: That

- (1) the levels of disturbance payments to be made to residents (both tenants and owner-occupiers) moving as a direct consequence of Housing Market Renewal redevelopment activity be adjusted as set out in Table 1 at paragraph 14 of the report; and
- (2) the level of disturbance payments be revised annually on 1 April to take account of changes to the Consumer Price Index.

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87. SEFTON'S STRATEGY FOR OLDER CITIZENS

The Cabinet considered the report of the Strategic Director - Social Care and Well Being which incorporated a summary of the Sefton Strategy for Older People and the draft Action Plan for the strategy which had been produced by the Sefton Partnership for Older People.

The Strategic Director also reported that the Leisure and Tourism Director and the Neighbourhoods and Investment Programmes Director would be the officer champions for Older Peoples issues.

Mr. R. Pontefract, the Chair of the Sefton Partnership for Older People outlined the content of the summary document.

RESOLVED: That

- (1) the endorsement of the Strategy by the Sefton Borough Partnership be noted;
- (2) the prioritisation of older people as a cross-cutting theme, and the initiatives set out in the Action Plan to achieve the outcomes identified in the Strategy be supported; and
- (3) Councillor Moncur be appointed as the Member Champion for Older People's Issues, and be the Council's representative on the Sefton Partnership for Older Citizens.

88. CABINET MEMBER REPORTS

The Cabinet received reports from the Cabinet Members for Children's Services, Communities, Corporate Services, Environmental, Health and Social Care, Leisure and Tourism, Performance and Governance, Regeneration and Technical Services.

The Cabinet Member – Regeneration reported that the Housing and Communities Agency had approved funding of £2.3m for the Kickstart Scheme at Queens Road, Bootle and congratulated the Housing Market Renewal Team for the efforts in achieving the funding.

RESOLVED:

That the Cabinet Member reports be noted;

89. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it would involve the likely disclosure of exempt information as defined in paragraph 1 and 3 of Part 1 of Schedule

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12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the press and public.

90. AREA BASED GRANT REDUCTION - AFFECT ON MERSEYSIDE ROAD SAFETY CAMERA PARTNERSHIP

Further to Minute No. 54 of the meeting of the Cabinet Member - Technical Services held on 4 August 2010, the Cabinet considered the report of the Planning and Economic Development Director on the recent reduction in Area Based Grant funding, which was currently used to fund the operation of the Merseyside Camera Partnership. The report highlighted the reduced contribution on 2010/11 used to fund Child Pedestrian training across Merseyside, and the subsequent impact on staff resources in the Planning and Economic Development Department.

RESOLVED: That

- (1) it be noted that the Child Pedestrian Training Programme has a significant impact on improving road safety awareness in key stage 1 children, that this provides the foundation for all road safety education in Sefton and contributes greatly to the on-going reduction in child pedestrian casualty rates in the Borough;
- (2) the cessation of the Area Based Grant funding of Child Pedestrian Training to a total of £21k in 2010/11 be noted;
- (3) the Cabinet Member - Technical Services be requested to review the Local Transport Plan Capital Programmes to determine priorities for funding Child Safety, School and Workplace Travel Plan Programmes for 2010/11 and 2011/12 onwards; and
- (4) a further report be submitted to the Cabinet Member - Technical Services and Cabinet detailing the review.

91. REVENUES - WRITE OFF OF IRRECOVERABLE DEBTS

The Cabinet considered the report of the Interim Head of Corporate Finance and ICT Strategy which sought approval to the write-off of irrecoverable debts with balances of over £10,000.

RESOLVED:

That approval be given to the write-off of 20 non-domestic rate debts amounting to £907,620.56 and 3 sundry debt invoices amounting to £48,098.65.

Agenda Item 4

REPORT TO: Cabinet
Council

DATE: 2nd September 2010
2nd September 2010

SUBJECT: Prioritisation And Strategic Budget Review

WARDS AFFECTED: All

REPORT OF: Margaret Carney
Chief Executive

CONTACT OFFICER: Bill Milburn
0151 934 4191

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To progress the development of the Council's prioritisation process and identify actions that can be taken now to help reduce the 2011/12 – 2013/14 budget gap.

REASON WHY DECISION REQUIRED:

To support timely decision making and allow early actions to be taken to help reduce the 2011/12 – 2013/14 budget gap.

RECOMMENDATIONS:

Cabinet is requested to:-

- i) note the report,
- ii) approve the establishment of the identified Strategic / Organisation Design project work-streams, together with the Lead Officer support and Elected Member Overseeing Groups,
- iii) note the intention to present further tactical/operational budget savings options to future meetings of Cabinet, as the prioritisation process develops, which will work towards the closure of the 2011/12 – 2013/14 budget gap,
- iv) recommend to Council that the savings options identified in paragraph 8, to achieve full year budget savings of £2.4m in 2011/12 be progressed.

Council is requested to

- i) agree that the savings options identified in paragraph 8 to achieve full year savings of £2.4m in 2011/12 be progressed.

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KEY DECISION: No.

FORWARD PLAN: No.

IMPLEMENTATION DATE: Immediately following the expiry of the “call-in” period for this meeting.

ALTERNATIVE OPTIONS:

Not to agree the issues identified will increase budgetary pressures on the Council.

IMPLICATIONS:

Budget/Policy Framework:

Financial: The options and actions proposed in this report will support the Council’s budget setting process for 2011/12 and seek to reduce the currently predicted MTFP budget gap of ~£53m over the period 2011/12 – 2013/14.

	2008/9 £	2009/10 £	2010/11 £	2011/12 £
CAPITAL EXPENDITURE				
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
REVENUE IMPLICATIONS				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N				
How will the service be funded post expiry?				

Legal: Formal budgetary decisions must be made at full Council.

Risk Assessment: Early decision making in relation to budget issues will help to mitigate the impact of the consequential changes by giving sufficient time to undertaken the required formal consultation / notification processes.

Asset Management: N/A

CONSULTATION UNDERTAKEN/VIEWS

Finance department FD Nos 491

CORPORATE OBJECTIVE MONITORING:

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

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

Report to Cabinet 8 July 2010 *“Strategic Budget Review and Budget 2010/11”*

Agenda Item 4

Background

1. At their 8th July 2010 meeting Cabinet received a report entitled “*Strategic Budget Review and Budget 2010/11*” that outlined the impact of recent Government announcements, which resulted in a £7.145m reduction of grants for Sefton in the current financial year, 2010/11. The report also updated the Council’s Medium Term Financial Plan (MTFP) to take account of the measures included in the Government’s Emergency Budget, particularly the announcements of a 2 year freeze in Council Tax and the Government’s intention to reduce public expenditure by an average 25% over the next 3 years. The overall impact of these measures was to increase the predicted 3 year MTFP budget gap from ~£30m to ~£53m.
2. Subsequently, a review of the uncommitted Capital Programme was reported to Cabinet on 5th August 2010 and that report is updated elsewhere on this agenda.
3. Informal briefing sessions have also been undertaken with Cabinet and individual Party groups to further develop the prioritisation and budget review process related to the MTFP and the 2011/12 budget.

Next Steps

4. As part of the MTFP / budget development process Directorates & Departments have been asked to review the Strategic Budget Review (SBR) savings options identified, but not taken, for 2010/11 and to consider what other strategic or tactical/operational changes can be proposed in order to close the overall savings gap identified, i.e. currently ~£53m over 3 years (2011/12 – 2013/14) including ~£20m for 2011/12.
5. As an initial result 6 Strategic / Organisational Design project work-streams have been identified across the Council, each project has a senior management Lead Officer and it is proposed that an overseeing Elected Member group comprising a Lead Cabinet Member, a second Cabinet Member (or nominee) and a Scrutiny Chair/Labour Spokesperson is established to support the project development. Each 3 Member overseeing group will be constructed to ensure 3 Party representation.
6. The 6 Strategic / Organisation design project work-streams are:-
 - Customer Access – Lead Officer Bill Milburn
 - Integration of Adults & Children’s Services – Lead Officer Peter Morgan
 - Early Intervention & Vulnerable Person Support – Lead Officer Charlie Barker
 - Procurement & Commissioning – Lead Officer John Farrell
 - Community, Voluntary & Faith Sector – Lead Officer Samantha Tunney
 - Integration and Shared Services – Lead Officer Mike Fogg/Samantha Tunney

It is currently estimated that financial savings of over £8m could be achieved upon the completion of these work-streams; however it may take more than one financial year to achieve that target.

7. Cabinet is asked to endorse the establishment of the Elected Member Overseeing Groups and the development the Strategic work-streams.

8. As a consequence of the initial review of the outstanding SBR options and the identification of other potential savings Cabinet are asked to recommend to Council progression of the following options for immediate action. It is expected that the full year savings identified for each option will be achieved in 2011/12, thus reducing the overall budget gap for that year. It is possible that some part-year savings may be achievable for some options during 2010/11.

Savings Option	£
Full year impacts of Area Based Grant (ABG) funding changes within Children's Services (CSF)	935,000
Removal of severance pay support to schools	700,000
Realise full year Working Neighbourhood Fund/ABG savings (not CSF)	272,000
Communities Directorate Senior Management Restructure	250,000
Managed print services via Avarto	100,000
Removal of Centrex Analogue Telephone Lines	50,000
Downgrade quality of print paper	40,000
Rationalisation of Point of Sale & Bookings Software	30,000
Charge schools for health & safety training course	18,000
Reduction of mobile phones	9,000
Total	2,404,000

9. Early agreement of these options will allow the necessary time to formally progress the options to achieve full year savings in 2011/12.
10. A further range of tactical/operational saving options, made up from the SBR options not taken in 2010/11 and additional options is being compiled. It is intended that these options will be presented to future meetings of Cabinet, as the prioritisation process develops, to work towards the closure of the 2011/12 – 2013/14 budget gap.

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Agenda Item 5

REPORT TO: Cabinet
Council

DATE: 2nd September 2010
2nd September 2010

SUBJECT: Capital Programme Review

WARDS AFFECTED: All

REPORT OF: Bill Milburn
Strategic Director – Communities

CONTACT OFFICER: Bill Milburn
0151 934 4191

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To provide Members with further details of the uncommitted Capital Programme to allow Cabinet to determine which of the uncommitted capital schemes identified in Annex 1 - 46 should be approved or abandoned.

REASON WHY DECISION REQUIRED:

To allow Members to consider the potential impact of the uncommitted capital schemes on the Council's overall budget position for 2011/12.

RECOMMENDATIONS:

Cabinet is requested to:-

- i) note the report,
- ii) recommend to Council which uncommitted capital schemes identified in Annex 1 - 46 should now be approved for completion or abandoned to support the Council's overall budget position for 2011/12.

Council is requested to agree which uncommitted capital schemes identified in Annex 1 - 46 should now be approved for completion or abandoned to support the Council's overall budget position for 2011/12.

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- KEY DECISION:** Yes.
- FORWARD PLAN:** Yes. Individual Capital Programme reports have been identified within the Forward Plan.
- IMPLEMENTATION DATE:** Immediately following the expiry of the “call-in” period for this meeting.

ALTERNATIVE OPTIONS:

To continue with all uncommitted schemes. Should all uncommitted schemes progress there will be no resultant revenue savings.

IMPLICATIONS:

Budget/Policy Framework: Financial impacts are identified within Annex 1 - 46

Financial:

	2008/9 £	2009/10 £	2010/11 £	2011/12 £
CAPITAL EXPENDITURE				
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
REVENUE IMPLICATIONS				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N				
How will the service be funded post expiry?				

Legal: The Capital Programme schemes identified are not contractually committed. However, costs have been incurred in bringing these schemes to their current state of preparation, both by Sefton Council and others, for which the Council may be liable.

Risk Assessment: A number of Capital Programme schemes relate to statutory or other responsibilities which if unfulfilled may present liabilities for the Council.

Asset Management:

A number of the Capital Programme schemes have direct, or indirect, impacts upon the future use or disposal of the Council's assets.

CONSULTATION UNDERTAKEN/VIEWS

All Departments have been consulted.
Detailed consultation has taken place with the Finance department's Capital Group
FD Number - 490

CORPORATE OBJECTIVE MONITORING:

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

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

Report to Cabinet 5 August 2010 *“Transformation Programme - Review Of The Capital Programme”*

Agenda Item 5

1. At the meeting held on 4 August 2010, Cabinet considered a report entitled "*Transformation Programme - Review of the Capital Programme*" and resolved:

That

- (1) the Chesterfield High School 14 to 19 Diploma Scheme (£135k) to be funded from specific resources be included in the Children, Schools and Families Capital Programme 2010/11;
- (2) the sum of £2m in respect of the Targeted Capital Fund – Special Educational Needs Scheme, to be funded from specific resources be included in the Children, Schools and Families Capital Programme 2010/11 and the Strategic Director - Children, Schools and Families be requested to submit a report to a future Cabinet meeting on the revenue savings to be achieved from the inclusion of this scheme in the Capital Programme;
- (3) the Overview and Scrutiny Committee (Performance and Corporate Services) be requested to undertake a review of the Asset Management Plan and in particular the revenue savings made from capital investment in schemes and a report on the review be submitted to a future Cabinet meeting;
- (4) officers continue to progress the remaining uncommitted capital schemes in the Annexe to the report which will receive ring-fenced grant monies;
- (5) **the remaining uncommitted capital schemes in the Annexe to the report which do not have ring-fenced grant monies be reviewed at the next Cabinet meeting.**

2. At the same meeting Cabinet also approved 6 individual Capital Programme reports to go forward for contractual commitment, i.e.:

Southport Indoor Market
Southport Cycle Town Work Programme 2010/11
Youth Capital Fund - Proposed Schemes 2010/11
Proposed Demolition of Balliol House, Bootle
Kew Woods School, Southport - Proposed Two Storey Classroom Extension
Proposed Replacement Netherton Activity - Tenders

and agreed that the Merseyside Sub Regional Choice Based Lettings Scheme one-off set-up costs be met from existing provision in the Housing Capital Programme approved by the Council on 8 July 2010.

3. Since the production of the last report further consideration has been given to the Disabled Facilities Grant (DFG) / Specified Capital Grant (SCG) and this is now considered to be "Ring-fenced" and has therefore been removed from the remaining uncommitted Capital Programme.
4. Members will also recall that after approving £2m from the Targeted Capital Fund - SEN scheme (resolution (2) in paragraph 1 above) there was an implied balance of £0.54m of non-ringfenced capital grant remaining. Unfortunately, the original figure given for TCF SEN did not reflect that this grant had been reduced, by £0.658m, as part of the announcements following the Government's Emergency Budget. The resulting £0.118m difference in funding can be accommodated by rephasing the planned expenditure on smaller, approved schemes into 2011/12. This proposal will not be detrimental to the schemes concerned.

5. The remaining uncommitted Capital Programme schemes are attached as Annex 1 - 46 and Cabinet are requested to determine which of these schemes should now be approved for completion or abandoned to support the Council's overall budget position for 2011/12.
6. Each Annex outlines the scope of the scheme, its funding source and the impacts of abandoning the scheme. Members have already agreed that Ring Fenced schemes should go forward to formal contract and completion. In relation to other funding streams Members are advised that the financial impacts of abandoning each scheme would be:

Non-ring fenced grant - Deletion of these schemes should not require the return of Grant to Government. However, Government normally require a report in relation to the Grant which would include an explanation as to why the Grant had not been utilised for the purpose intended. The capital works currently specified against the Grant would not be completed and Sefton Council could use the one-off funding to support expenditure elsewhere, this could result in revenue savings to the Council. However, Government have recently attempted a number of "*claw-backs*" of non-ringfenced grants, these "*claw-backs*" may be subject to challenge and this may impact upon our ability to utilise these grants for other purposes.

Prudential Borrowing - Deletion of these schemes would result in revenue savings equal to ~8.5% of the total prudential borrowing required to fund the identified capital scheme.

Unringfenced supported borrowing - Deletion of these schemes would result in revenue savings equal to ~8.5% of the total supported borrowing required to fund the identified capital scheme.

Members should also be aware that abandoning any particular capital scheme may result in abortive costs, either directly to the Council or to 3rd parties who may seek to recover those costs from the Council.

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CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children's Services
Scheme Name: Primary Capital Strategy External Consultancy

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
65	54	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	5	5	5
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve:
 This funding was made available to support the development of the Primary Capital Strategy which is now complete.
 This balance of funding is no longer required by CSF.

Consequences of non progression of scheme:
 This funding is no longer required by CSF.

Completed by: Christine Dalziel
Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children's Services
Scheme Name: Framework Contracting – External Consulting

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
60	60	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	5	5	5
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve:

This funding was set aside in order that a Framework, for the procurement of capital schemes, could be explored. This has not been progressed and CSF does not require this funding.

Consequences of non progression of scheme:

This funding is not required by CSF.

Completed by: Christine Dalziel

Date: 06/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children’s Services
Scheme Name: Fair Play Playbuilder Programme

Total Cost £’000	2010/11 £’000	2011/12 £’000	2012/13 £’000	2013/14 £’000
1127	440	0	0	0

Funding sources: Non ringfenced grant

Financial consequences of scheme progression:

	2010/11 £’000	2011/12 £’000	2012/13 £’000	2013/14 £’000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The grant, originally ringfenced, was earmarked to develop 8 further play schemes throughout Sefton with particular emphasis on older children in the 8-13 age group.

The ringfence was removed on 10 June and on 15 July the DfE informed authorities that ‘With immediate effect and until further notice, all of these local authorities should avoid incurring any new contractual liabilities in relation to their play capital grants.’ Sefton had not entered into any contractual agreements at this stage and the DfE were informed accordingly. These schemes are therefore deferred pending further consideration in the context of other resources that the Council has available.

Consequences of non progression of scheme:

Non development of these schemes will mean that children in the 8-13 age group in particular will have few opportunities for safe but challenging outdoor play with consequent health/obesity issues.

Completed by: Christine Dalziel

Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children's Services
Scheme Name: Extended Schools

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
1022	108 *	0	0	0

Funding sources: Non ringfenced grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve:

A contribution towards 3 major schemes at English Martyrs, Summerhill and Bedford Primary Schools. At English Martyrs new Foundation Stage accommodation is being funded from LCVAP which will release space for the relocation of the PVI nursery from unsuitable accommodation. This is funded from the ring-fenced Early Years Grant, mainly for PVI schemes. The Extended Schools element will replace a multifunctional room for the school's use. At Summerhill the PVI nursery will be relocated releasing much needed accommodation within the main school. The majority of funding is from the Early Years Grant. Bedford Primary School has raised over £200k and the Extended Schools funding is a contribution to the development of a Family Room. A £20K Extended Schools contribution to a play area at Farnborough Rd will now be funded from DFC.

Consequences of non progression of scheme:

* This is the balance of the grant following a cut of £128,815 as a result of the new government's emergency budget. However, with some adjustments to the schemes and careful management it is anticipated that the 3 schemes could still be progressed. The major schemes at English Martyrs and Summerhill both have a large element of ring-fenced, EY funding (£151,139 and £302,981 respectively) and if the Extended Schools contribution is not available then the schemes cannot be progressed and the ring-fenced EY funding will be lost. Bedford Primary School is in an area of severe deprivation and the school urgently need a room in which to work with families as part of the extended schools programme. Savings on other EY schemes may release more funding for English Martyrs and Summerhill so that the extended schools budget can be used for the Bedford scheme.

Completed by: Christine Dalziel

Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children’s Services
Scheme Name: CS IT (Single Child Record)

Total Cost £’000	2010/11 £’000	2011/12 £’000	2012/13 £’000	2013/14 £’000
540	409	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £’000	2011/12 £’000	2012/13 £’000	2013/14 £’000
Borrowing costs	9	35	35	35
Running costs (specify)				
A. Document Management Licensing costs of approx £8k p.a. from 20011/12		8	8	8
B. Approximate revenue cost of £25k to support the solution p.a. from 2011/12		12.5	12.5	12.5
Funded from:				
A. from CSF IT budget.				
B. from establishment budget transfer of resource to arvato (shared with Social Care & Well Being Directorate).				

The Scheme aims to achieve:

(1) Migration of the Capita ONE product from Version.3 to Version.4. (2) Upgrade of Business Object reporting platforms across core management information systems. (3) Implementation of Electronic Social Care Record (ESCR) document management system. (4) Integration of core management information systems to share common basic data sets. (5) Development of core management information systems to support information sharing across partner agencies.

Consequences of non progression of scheme:

The department will lose the ability to (a) maintain children’s records effectively, (b) share information with key partner agencies involved in the delivery of services to children, young people and their families and (c) comply with statutory reporting requirements.

CSF requires this funding to develop its core IT based systems to manage children’s records, supporting the local authority in its statutory obligation to safeguard and provide education to young people. The IT based systems provide authority staff with direct, real-time access to data, helping them see any child, by having access to the information on every child, with which they can then make more informed decisions

Completed by: Christine Dalziel

Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children's Services
Scheme Name: Modernisation schemes

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
376	376	0	0	0

Funding sources: Non ringfenced supported borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	8	32	32	32
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve:

A contribution towards phase 2 of the Aintree Davenhill Primary Capital Programme Scheme to rebuild/Refurbish the school. Phase 1 is well underway and due for completion by December 2010. Funding for phase 2 has not been identified but this will be a priority for capital funding released following the Government's spending review. The estimated cost for phase 2 is approximately £2 million and a proportion of this year's funding has been purposely held back to contribute to phase 2.

Consequences of non progression of scheme:

Phase 2 must be implemented due to the nature of the existing building and non-completion of the scheme is not an option as only part of the existing building will be demolished at the end of phase 1. The new building will be more compact and energy efficient thus reducing the school's long-term revenue costs. If this funding is not available as a contribution towards phase 2 then a larger proportion of funding in future years will have to be taken to make up the balance.

Completed by: Christine Dalziel

Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children’s Services
Scheme Name: Schools Access Initiative schemes

Total Cost £’000	2010/11 £’000	2011/12 £’000	2012/13 £’000	2013/14 £’000
172	172	0	0	0

Funding sources: Non ringfenced supported borrowing

Financial consequences of scheme progression:

	2010/11 £’000	2011/12 £’000	2012/13 £’000	2013/14 £’000
Borrowing costs	4	15	15	15
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve:

This is the balance of the SAI Grant 2010/11. It is proposed to spend approximately £80,000 on improving access to the Merefield Special School site. The balance of £92,000 would be held in reserve to address DDA issues that crop up during the school year as pupils, with special needs, move to different schools or move into the area.

Consequences of non progression of scheme:

Merefield -The large Sefton minibuses cause major problems at start and end of the school day as they have to enter and leave by the same gate. Pupils at Merefield and adjacent Shoreside are put at risk. The intention is to develop a one way system and to segregate the entrances to the 2 schools.
 Balance of fund – This will provide DDA improvements in any mainstream school where a child is admitted but where some reasonable adjustments need to be made to accommodate the child. E.g. disabled toilet, changing facilities, hygiene areas and hoists, ramps, lift (exceptionally) etc. Some pupils may also require specialised computers to allow them to have fuller access to the curriculum. All support the inclusion agenda. These problems crop up through out the year and without the funding we would not be able to comply with DDA legislation. This is an LA duty – schools are not expected under legislation to make physical (capital) adjustments to buildings.

Completed by: Christine Dalziel

Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Children's Services
Scheme Name: New Pupil Places schemes

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
300	300	0	0	0

Funding sources: Non ringfenced supported borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	7	26	26	26
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve:

A new secure entrance, office and staffroom at Shoreside Primary School, Southport, with refurbishment to other areas of the school. The Head and Governors have been fully involved in the proposed scheme which is being developed by Capita.

Consequences of non progression of scheme:

The lack of a secure entrance is a safeguarding issue and the relocation of the entrance and reconfiguration of other spaces will greatly improve the management of the school.

Completed by: Christine Dalziel

Date: 12/08/2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: DDA – Disabled adaptations to Council premises

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
500	130	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	3	11	11	11
Running costs (specify) Minimal				
Funded from: Existing departmental budgets				

The Scheme aims to achieve:

The Council does not currently comply fully with the statutory DDA and this funding is to ultimately meet the Acts requirements in full.

Consequences of non progression of scheme:

Until all necessary works are carried out the Council could be said to be in contravention of the DDA, however the DDA requirements within properties with the most significant public access requirements, and where there are disabled members of staff, have already been addressed.

The works proposed in the current year and categorised as being the next highest priority are:

- a) Improvements to access and disabled facilities at Leisure Services and Tourism establishment – predominantly libraries (approximately £90,000).
- b) Installation of a lift at Hudson Road, a Heath and Social Care establishment (approximately £40,000).

The deficiencies within the various Leisure buildings are long standing and have not presented an obvious barrier to use of the facilities, nor have they attracted adverse comment from the public. The existing lift at Hudson Road is broken and beyond repair. The facility has therefore operated without a lift for a number of years but Sefton New Directions believe that it remains a necessity for a new lift to be provided. I quote:

“Not having a lift in-situ for residents with severe and complex mobility difficulties, as well as learning difficulties, impacts on their quality of life, they are disadvantaged. Their ability to move freely around the home is restricted. Stairs presents them with unnecessary risks. Not having a suitable lift fails to comply with CQC Essential Standards of Quality and Care”

Completed by: David Kay – Technical Services Client Manager

Date: 8th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: Health & Safety Programme

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
250	60	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	5	5	5
Running costs (specify)				
None				
Funded from:				

The Scheme aims to achieve:

Address urgent priority asbestos removal at 209 Linacre Lane for which there is no current identified funding.

Consequences of non progression of scheme:

The asbestos within the roof space at 209 Linacre Lane has been disturbed and does not allow access to the area for essential plant maintenance. Failure to address the issue will mean that the facility will become unsuitable for occupation.

There is no specific allocation for this work and, in similar previous circumstances, the cost of such works has been met from this, Corporate Health and Safety, budget.

This Civic Buildings Repair and Maintenance budget is not capable of meeting the cost of works at Linacre Lane without severe impact upon other commitments including essential statutory Health and Safety testing and inspection works.

Completed by: David Kay - Technical Services Client Manager

Date: 9th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: Energy Efficiency Measures

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
250	200	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	4	17	17	17
Reduced Running costs (specify) 10/11 Savings assume capital installation from November.	-15.8 (saving)	-67.9 (saving)	-72.7 (saving)	-77.7 (saving)
Funded from: Reduced existing revenue running cost budgets of council buildings				

The Scheme aims to achieve:
 Firstly, to bring measurable financial savings of up to £77K per annum for the Council from installation of already identified energy technologies/schemes within core buildings. Savings are sufficient, not only to easily offset the cost of Prudential Borrowing, but also actually pay-back the Capital investment within 5 years –
 Secondly, to bring measurable carbon savings for the Council to:
 a) Improve the annual statutory measured building performance ratings and
 b) Savings to the annual cost of CRC (Carbon reduction commitment) trading cost liability at £12 per tonne = £4,528, rising to £20/plus per tonne = £7,540 in 2 years (i.e. further reduce fiscal risk).

Consequences of non progression of scheme:
 If the identified efficiency schemes were not expedited the Council would not achieve the £77K utility cost reductions and would face risks from continued poor asset performance and potential legal/finance penalties under CRC and corporate risk under future performance measures from NI 185 and NI186. It is intended to prove the copper bottomed fiscal value to Sefton's Transformation for continued programmes of prudent investment in energy/water savings already identified beyond initial Capital to harvest increased financial efficiency savings going forward.

Completed by: Ian Weller – Energy Manager
Date: 12 August Page 37

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: Legal Dept ICT Programme

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
95	0	55	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	1	5	5
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The modernisation of video conferencing equipment in Bootle and Southport.

Consequences of non progression of scheme:

The existing video conferencing facilities between Bootle and Southport and equipment may become increasingly unreliable.

Completed by: Andrea Grant

Date: 19 August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: IT Equipment Server Replacement

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
90	48	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	4	4	4
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Network separation is required under Government Code of Connection. The servers that will be acquired will provide extra security and will strictly control and prevent unauthorised access to our network from the outlying sites.

Consequences of non progression of scheme:

Sefton will not conform with the Government Code of Connection and this will severely impact on the way we communicate with Central Government. The main service that would be affected would be Revenue and Benefits, removing access to DWP data that is essential to calculate Council Tax and Housing Benefits.

The requirement for additional firewall servers needs to be linked to the accommodation strategy and the priority occupancy of council buildings. This needs to be done to prevent the waste of the authority's funds.

**Completed by: Phil Breen (Principal Contract Monitoring Officer,
Finance & IS Dept)**

Date: 16th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: E Govt Geographical Info Service

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
165	27	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	2	2	2
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Consequences of non progression of scheme:

This scheme is no longer required. Should any funding be required in the future a new bid for funding will be submitted.

Completed by: Linda Price

Date: 17/08/10

Agenda Item 5

ANNEX 15

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Corporate Services
Scheme Name: IT Members ICT & Mobile Technology

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
120	63	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	5	5	5
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The current equipment was refreshed in May 2007; the estimated life expectancy is 4 years. The equipment is now beginning to fail due to age, capacity and compatibility.

To refresh the equipment provided to Members to ensure compliance with the Government Code of Connection and to enable Members to have access to ICT facilities that are fit for purpose.

Consequences of non progression of scheme:

Lack of equipment available to Members when equipment reaches the end of its life. The equipment not capable of taking the latest upgrades, patches and software. Members unable to gain access to emails and paperwork.

Completed by: A M Grant (Assistant Director, Democratic Services)

Date: 11th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Environmental
Scheme Name: Pathfinder Fund Programme

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
145	64	0	0	0

Funding sources: Govt. Grant (100%)- not ringfenced

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to achieve: DEFRA granted the money to enable Local Authorities to undertake work in relation to Adaptation to Coastal Change, these were intended to be innovative solutions that would then inform the development of their policy in relation to this topic.

The capital element of this grant was specific to two projects on the Sefton Coast; one was the restoration and creation of dune slacks (£40k) – an important habitat at both a national and international level. The second was the rebuilding of the boardwalk (£105k) at Lifeboat Road, Formby, in such a way that it provided an all abilities access point to the beach (the only one between Hall Road Crosby and Shore Road Ainsdale) that would be resilient to the changing coast (erosion).

Consequences of non progression of scheme:

The consequence of non-progression of the dune slack work would be to limit our ability to manage the site adequately and achieve favourable condition over the next 20 to 50 years. As a Council we have a statutory duty to maintain in favourable condition the habitats under our ownership and management (Wildlife and Countryside Act).

The majority of the timber has already been purchased for the Boardwalk and the principal cost to be incurred in completing this element would be staff costs. This element can be completed for £10k. Failure to progress this element of the scheme would result in:

1. the non-provision of an all-ability access route to the beach at Lifeboat Road
2. impacts on staff due to loss of funding
3. ongoing maintenance costs for the existing structure and the need to remove it in the near future for safety reasons as it is approaching the end of its life.

The consequence in relation to non-delivery of the project to DEFRA will be loss of reputation and detriment to future opportunities to gain grant-aid.

Officers can minimise this through the continuation of the committed elements and reporting back on all adaptation work being undertaken on the coast regardless of whether or not it is being funded by DEFRA.

Completed by: Graham Lymbery

Date: 12 August 2010 Page 42

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Environmental
Scheme Name: Public Conveniences

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
900	73	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	2	6	6	6
Running costs (specify)				
Maintenance		3	3	3
Cleaning		5	5	6
Utilities		2	3	3
Funded from: All of the above costs can be funded from within the existing Public Convenience revenue budget .No provision has been made for possible vandalism costs. NB The revised Capital cost of this new facility is estimated to be £96k therefore to progress this scheme would require an additional £23k from Prudential Borrowing. The additional annual borrowing costs in a full year (£2k) would be contained within the existing PC revenue budget and would be offset by any 'pay to use' income received.				

The Scheme aims to achieve:

To provide a new pay-to-use public convenience facility for local residents and visitors within the central/main shopping area of Formby.

Consequences of non progression of scheme:

Whilst there is no statutory duty to provide public conveniences it has previously been agreed by Members that the Council would replace the former public convenience facility in Formby which is now closed.

Not proceeding with this scheme is likely to be criticised by local residents and elected representatives and will not resolve land title issues in relation to the existing building/former public convenience facility, which was not built on Council owned land.

Completed by: Jim Black

Date: 10th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Environmental
Scheme Name: Gypsy & Traveller Site

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
220	17	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	2	2	2
Running costs (specify)				
Funded From:				

The Scheme aims to achieve:

Maintain standards on the Broad Lane Gypsy and Traveller Site, including obligations in terms of health and safety

Consequences of non progression of scheme:

Without this resource it will not be possible to keep the site properly maintained and to ensure that any remediation issues are investigated and remedied. This will potentially lead to claims against the council for failing to take reasonable care to ensure that there is no danger to human health

Completed by: Jim Ohren

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Environmental
Scheme Name: Waste Infrastructure Grant

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
1160	300	0	0	0

Funding sources: Non Ring fenced Capital Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify) N/A	0	0	0	0
Funded from:				

The Scheme aims to achieve:

To provide Sefton with sustainable waste management arrangements.

Consequences of non progression of scheme:

The capital grant that remains has been identified to be used to offset the increase in cost that is anticipated via a tendering exercise to establish a new kerbside-sort dry-recycling collection contract or an alternative (commingled) dry-recycling collection service. Use of the grant would reduce the leasing/borrowing costs (circa £25k p.a.) of procuring vehicles and/or equipment associated with recycling collection services and would be in line with the purpose for which it was provided. Information regarding the use of this funding is requested by central government at the end of the financial year.

The additional revenue likely to be required, to fund a new recycling contract/service, has already been identified in the Medium Term Financial Plan for 2011/12.

Completed by: Jim Black

Date: 6th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Health & Social Care
Scheme Name: IT Strategy

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
488	195	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	4	17	17	17
Running costs (specify) No revenue cost increase is anticipated for the schemes identified.				
Funded from:				

The Scheme aims to achieve:

1. NHS N3 interconnection
2. ICT infrastructure to support New Directions
3. ICT infrastructure to support mobile and flexible working
4. Upgrade of MS reporting platform
5. Information governance/programme management

Consequences of non progression of scheme:

The intention is to use this capital in conjunction with Adult Social Care infrastructure grant to support the implementation of a new client database system. The electronic social care record solution, mobile technology to support flexible working for social care practitioners, IT infrastructure for commissioned services and the IT connection between the Local Authority and NHS.

The Adult Social Care IT strategy details the IT plans to support the reform of Adult Social Care provision from a holistic perspective, if the anticipated business benefits of improved information management and sharing and potential efficiencies of improved performance and resulting financial savings are to be realised the capital funds are mutually dependant and the overall objectives are inextricably linked.

Completed by: Robina Critchley

Date: 12th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Health & Social Care
Scheme Name: Mental Health SCE (C) 2008/09-10/11

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
150	150	0	0	0

Funding sources: Non ring fenced Capital Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Consequences of non progression of scheme:

No schemes identified.

Completed by: Robina Critchley

Date: 12th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Health & Social Care
Scheme Name: Social Care SCE (C) 2008/09-10/11

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
130	130	0	0	0

Funding sources: Non ring fenced Capital Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Consequences of non progression of scheme:

No schemes identified.

Completed by: Robina Critchley

Date: 12th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Health & Social Care
Scheme Name: Adult Social Care IT Infrastructure 08/09-10/11

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
317	317	0	0	0

Funding sources: Non ring fenced Capital Grant

Local Authority Circular LAC (DH) (2008) 6, states the Local Authority shall use this grant monies only for capital expenditure to continue to develop their IT infrastructure to support effective information sharing between health and social services.

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify)				
C. Document Management Licensing costs (approx)		8	8	8
D. Support costs (approx)		12.5	12.5	12.5
Funded from:				
Departmental IT budget.				
Efficiency Savings			-200	-200

The Scheme aims to achieve:

1. Upgrade or replacement of adult social care case management system (CMS) including associated infrastructure and reporting platform.
2. Implementation of electronic social care record document management solution.

Consequences of non progression of scheme:

Both of these projects are considered 'invest to save' schemes that should result in business benefits and potential efficiencies. The Social Care and Well Being Directorate intends to implement an electronic document management solution by aligning its ICT strategy and associated capital investment with the Children's Schools and Families Directorate. The anticipated business benefits are improved information management and information sharing. The anticipated efficiencies are increased productivity across Adult Social Care workforce and reduced administration activities, which will result in approximately £200,000 pa savings to be achieved from 2012/2013 onwards. If these schemes are not approved the department will not implement a solution for producing electronic assessments and care plans, will not improve data quality, will not achieve safe and accurate information sharing with NHS and will not enable the developing of IT literacy and informatics skills and good practise in recording and use of information on electronic care record systems across the social care workforce.

Completed by: Robina Critchley

Date: 12th August 2010

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CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Health & Social Care
Scheme Name: Capital Investment for Transformation on Adult Social Care

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
197	197	0	0	0

Funding sources: Non ring fenced Capital Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

1. Business process remodelling/re-engineering
2. Raise skills of the workforce and remodelling the social care workforce
3. Personalisation services.

Consequences of non progression of scheme:

This funding is predominately aimed at transformation and is specifically aligned to business process re-engineering capability, and capacity building activities. Aligned to the ICT strategy and associated capital investment, the social care reform grant monies will support a change in social care, with a shift in resources and culture, remodelling systems and processes and raising the skills of the workforce. The change management activities funded through this grant are associated with the ICT capital schemes and are critical for ensuring anticipated benefits and potential efficiencies.

Completed by: Robina Critchley

Date: 12th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure & Tourism
Scheme Name: Derby Park Refurbishment

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
930	47	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	4	4	4
Running costs (specify) Will be accommodated within existing budget	0	0	0	0
Funded from:				

The Scheme aims to achieve:

Final part of Derby Park refurbishment scheme. This phase seeks to repair the bandstand and improve its immediate vicinity.

(Note. Earlier phases concentrated on H&S issues and the more historic features of the park)

Consequences of non progression of scheme:

Will detract from the effect of the major refurbishment to the park undertaken to date. As this part of the park will remain an eyesore.

Disappointment from the 'Friends of Derby Park' group and local ward members who have always wanted the bandstand restored.

Completed by: Rajan Paul

Date: 19th August 2010 v2

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure & Tourism
Scheme Name: Repairs to Park Lodges

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
125	42	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	4	4	4
Running costs (specify) Will be accommodated from existing budgets.	0	0	0	0
Funded from:				

The Scheme aims to achieve:

Preliminary work towards 'decent homes standard' for occupied park lodges.

Consequences of non progression of scheme:

The council may be accused of providing poor quality rented accommodation. This could be mitigated by undertaking some work (approx£18k) to improve heating and bathrooms

Remaining work could be shelved and dealt with on an 'as and when' basis.

Should any major issue/expenditure arise, then this will need to be considered by SAMG.

Completed by: Rajan Paul

Date: 19th August 2010 v2

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure & Tourism Scheme Name: Hesketh Park Office/Visitor Centre

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
50	50	0	0	0

Funding sources : Prudential Borrowing

Financial consequences of scheme progression:				
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	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	1	4	4	4
Running costs (specify) Will be accommodated within existing budget.	0	0	0	0
Funded From:				

The Scheme aims to achieve:

Meet the expectations of the HLF, who are funding the overall improvement to Hesketh Park, that a visitor centre/local park office will be provided.

Consequences of non progression of scheme:

May affect the HLF Board's view on current and future applications for HLF funding.

Needs to stay in the capital programme, but could be deferred into 2011/12/13

Completed by: Rajan Paul

Date: 10th August 2010
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CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure & Tourism
Scheme Name: Southport Sports Park Contribution

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
382	382	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	9	32	32	32
Running costs (specify) None – will be met by KGV College	0	0	0	0
Funded from:				

The Scheme aims to achieve:

This is a contribution to KGV College towards providing sports (football) facilities for use by the college, Meols Cop High School, southport FC and the community. And is match funding for a bid to the Football Foundation by KGV for a £1m scheme.

The proposal will provide a 3rd generation all weather pitch along with changing facilities, which will also be used by the local football league.

Consequences of non progression of scheme:

The overall £1m scheme will become unviable.

Expenditure could be substantially deferred into 2011/12

Completed by: Rajan Paul

Date: 19th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure & Tourism
Scheme Name: Botanic Gardens Museum roof /lift

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
375	375	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	8	32	32	32
Running costs (specify) Difficult to quantify at this stage, as will depend on future proposals for the building which can now be progressed in a different direction in view of the Council's decision to progress the Southport Cultural Centre project. The running costs will be reported when the proposals are presented to CMLT/Cabinet for approval Funded from:				

The Scheme aims to achieve:

The scheme now aims to achieve an end use for a grade 2 listed building and discharge the Council's responsibility to safeguard such buildings.

Consequences of non progression of scheme:

Some funding will be necessary to mothball the building. (approx£25k)
 Should any major issue/expenditure arise in the future then this will need to be considered by SAMG.

May affect the HLF Board's view on current and future applications for HLF funding.

Needs to stay in the capital programme, but could be substantially deferred into 2011/12/13 (pending consideration of the final use of the building).
 But mothballing costs must be made available to secure the building in a sympathetic way given that it is a listed building in a conservation area.

Completed by: Rajan Paul

Date: 19th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure and Tourism, Regeneration
Scheme Name: Kings Gardens

(i) Development Stage				(ii) Delivery Stage (subject to HLF Stage 2 award)			
	Total Cost £'000	2010/11 £'000	2011/12 £'000	Total Cost £'000	2012/13 £'000	2013/14 £'000	Other years
HLF	240	120	120	4079	1889.5	1889.5	300
S106	240	120	120	1360	630	630	100
Total	480	240	240	5439	2519.5	2519.5	400

Funding sources: HLF ringfenced to the project and S106 contributions ringfenced to greenspace for Southport and agreed by SAC.

Cabinet (15.04.10) agreed to underwrite any shortfall in S106 contributions until sufficient S106 contributions are generated.

(i) Development Stage: The Council have recently accepted the 50% HLF grant for the development stage. There is £240,000 in S106 contributions available. Therefore no borrowing requirement.

(ii) Delivery Stage: A report to Cabinet will be presented for approval, prior to a Stage 2 submission to the HLF (around Sept 2011). This will include any financial implications for scheme progression.

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
(i) Development Stage	0	0		
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

This is a key scheme for the Southport Visitor Economy as it helps facilitate the release of the regeneration benefits of Marine Park, through improved infrastructure and connectivity. It is also important in its own right, since this is a Grade II heritage asset and part of Southport's existing visitor offer.

Consequences of non progression of scheme:

The council would forego what would be the biggest grant of its type in the Northwest, to restore this strategically important open space.

The long-term deteriorating infrastructure of the buildings, lighting, Venetian bridge and lake edge, will require significant investment over the next few years, independently of whether the Marine Park development comes forward. The Council has a legal responsibility for the maintenance of this open space which includes shelters requiring protection under the Listed Buildings and Conservation Areas Act 1990.

Completed by: *Awallia*

Date: 16th August 2010 Page 56

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Leisure & Tourism
Scheme Name: Southport Tourist Information Centre Relocation

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
59	0	54	0	0

Funding sources : Originally £21,600 from NWDA and £32,400 from the Performance Improvement and Development fund. The recently announced abolition of NWDA removes the potential for funding from them. Efforts will be made to draw down alternative funding but in the absence of that it is proposed that PIDF underwrite the costs, which are scheduled to be paid back in entirety by rental income within three years of completion.

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify) None Likely to generate a potential annual income of circa £28k from 2013/14	0	0	0	0
Funded From:				

The Scheme aims to achieve:

Relocate existing TIC as part of the Southport Cultural Centre project.

Consequences of non progression of scheme:

Loss of potential rental income generated by leasing the existing TIC building to a potential operator.

Completed by: Rajan Paul

Date: 10th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration
Scheme Name: Leeds Liverpool Canal

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
1,020	87	0	0	0

Funding sources: Non ring fenced Government Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify) Not known				
Funded from:				

The Scheme aims to achieve:

The scheme has completed its aims and objectives and all contractual obligations to funders met. However, as a result of changes in match funding during the scheme, £87,000 remains uncommitted. A number of projects, some of which were part of the original scheme and some developed more recently, have been identified that could benefit from the funding.

Consequences of non progression of scheme:

The Transform Sefton Access to Nature scheme is hoping to use up to £80,000 of the above as part match funding for a bid to Natural England for a grant of £324k. The scheme is currently under appraisal by Natural England and it is understood that a certain degree of match funding is required for the scheme to be successful.

Various other improvements to the canal that could use the funding have been suggested, such as further development of an arts project or CCTV, but these have not been developed to any detail and no commitment made to them.

Completed by: Will Moody/Dominique Tilley

Date: 9th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration

Scheme Name: Southport Commerce Park- 3rd Phase development

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
884	884	0	0	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	20	75	75	75
Running costs (specify) (None at this stage)				
Funded from:				

The Scheme aims to achieve: The scheme provides Council funds to support the continued development of the Southport Business Park. The Business Park is Southport's only significant strategic employment site but because of its previous use as a landfill site, is contaminated. The funds are intended to be used as match against other resources potentially available from European/National programmes. The range of projects that may be able to attract external funding include land preparation, traffic and landscape improvements at the entrance to the Business Park which will complement both the exiting development site/sites and the proposed expanded business park, plans of which are being developed by the Councils development partners David Wilson Homes and Wilson Bowden Developments. There are some parts of the site that are contaminated from the sites previous uses and it is intended that the resource included in this project will be used to secure external financial support to carry out land remediation.

Consequences of non progression of scheme: Failure to undertake remediation and the infrastructure works using public sector funds will mean that future private sector investment, which is desperately needed will only be brought forward at a much slower rate and possibly even not at all. In the past and with only limited public sector contributions of £5,108,012 (Sefton Council £325,000, English Partnerships £1,092,794, NWDA £449,000, and ERDF £3,241,218) it has been possible to lever in some £20 million of private sector investment, which has led to approximately 750 local jobs being created.

In the absence of any funding from the NWDA, and possibly ERDF grant there is a clear need for a contribution from Sefton Council to influence private sector investment, and where possible to explore potential opportunities that may be forthcoming from such programmes as JESSICA (which is an ERDF supported borrowing fund), the Regional Growth Fund, and some of the newly announced Energy related initiatives.

Phasing of Capital Spend: Based on current progress by above developers and available funding opportunities, it is anticipated that there will be no call on Sefton's capital resources this financial year (2010/11), but will require £300,000 in 2011/12 and £584,000 in 2012/13.

Completed by: Mo Kundi

Date: 12/8/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration

Scheme Name: Home Improvement Grants 2010/11 Approvals

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
600	395	90	19	0

Funding sources: Housing Capital Allocation

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Funding for loans (up to £5k.) to home owners to rectify housing defects. Eligibility is restricted to those on qualifying benefits. Plus funding for some older renovation grants approved (hence committed) but not yet spent.

Consequences of non progression of scheme:

Approximately £200k. is committed to applications already in the system. The Home Repairs Assistance (HRA) loan is part of our advertised home repairs assistance policy. It is expected that demand will fall off somewhat this year for HRA Loans as there is some evidence that because they are loans, not grants, they are less popular. The loans are equity based, charged against the property concerned and repaid when the property is sold, so the resource is recouped eventually. If the funding is removed then some people on benefits may not be able to undertake essential repairs if they are unable to access funding elsewhere.

Completed by: Jim Ohren

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration
Scheme Name: Landlord Accreditation/HMO's

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
35	5	0	0	0

Funding sources: Housing Capital Allocation

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The maintenance of proper standards in private rented accommodation, particularly HMOs.

Consequences of non progression of scheme:

This relatively small budget line is a longstanding one and historically has been used to grant aid works to HMO properties where standards are lacking and where the landlord requires some support to bring the property to a reasonable standard. In so doing, it can, in certain circumstances, avoid the necessity for a closing order and the need to re-house tenants and also remove significant hazards to human health such as fire safety.

Completed by: Jim Ohren

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration
Scheme Name: Housing Act Works in Default

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
35	9	0	0	0

Funding sources: Housing Capital Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Default works to properties in order to remove hazards

Consequences of non progression of scheme:

The Council has powers to do works in emergency default, where hazards are identified under the Housing Health and Safety legislation. Default works are not necessarily dictated by statute and other options are available, such as taking owners to court. However, these other options do not always result in the hazards being remedied. Default works would only be undertaken where third parties (e.g. tenants or adjacent occupiers) are adversely affected. As an example, water ingress affecting an adjacent occupier where the owner of the property requiring repair is unknown or refuses to undertake essential repairs. Expenditure on default works is recoverable from the owners as a sundry debt or via a legal charge on the properties, but this can take some time to recover. Removing the budget will not remove the necessity for the Council to fund works if the circumstances arise. This budget is usually fully committed in year and is on target to be committed during 2010-11

Completed by: Jim Ohren

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration
Scheme Name: Older Persons Housing Strategy- extra care provision

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
2890	0	2690	0	0

Funding sources: Prudential borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	61	229	229
Running costs (specify)	None	None	None	None
Funded from: N/A				

The Scheme aims to achieve:

Increased extra care housing provision in Sefton by funding housing associations to develop via new build or refurbishment.

Consequences of non progression of scheme:

One of the key recommendations arising from studies of the housing needs of older people in the Borough is to develop three 'core and cluster' extra care housing schemes in geographically dispersed areas as an interim model for extra care housing. This fits in with Government policy and the Council's strategic aim to improve health and well being, prevent hospital admissions and facilitate early discharge. Such schemes are typically worked up in partnership with the local health authority, and other partners such as charitable trusts and housing associations. The Council as a key partner is expected to bring funding to the table and this budget line is therefore flagging up the need to plan and budget for this as part of the Council's medium term capital strategy.

Extra care housing has been evidenced to reduce calls upon hard pressed social care budgets and health budgets. The opportunity to do this will therefore be missed by not investing in extra care housing. Older people with specific housing needs will become more vulnerable if appropriate accommodation is not available for their needs.

Completed by: Jim Ohren

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration
Scheme Name: Contribution to HMRI

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
2,600	2,600	0	0	0

Funding sources: Housing Pot Capital Grant plus capital receipts ring fenced to support housing regeneration.

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	None	None	None	None
Running costs (specify)	None	None	None	None
Funded from: N/A				

The Scheme aims to achieve:

This is the Council's contribution to the HMRI Strategic Programme set up to build sustainable communities in the most deprived housing areas in South Sefton. It is used to match Government HMRI funding in progressing key programmes in the priority areas, acquiring earmarked older properties, demolishing, remediating and assembling development sites for a mixed provision of new build housing with some limited number of commercial units.

Consequences of non progression of scheme:

The whole £2.6m is committed given the need to continue to voluntarily acquire properties of those people in the Bedford/Queens Area and Klondyke whom we have pro actively approached to sell, and to support ongoing demolition and site investigatory work, remediation costs in the two main areas and to gap fund two flagship schemes already approved by Cabinet (both relating to the last successful CPO in Bedford/Queens). Any reduction in the £2.6m would prejudice the two CPO enquiries to be held in November 2010 and any future necessary CPOs. Sefton have committed £2.6m to the 2010/11 "Deed of Variation" funding agreement of which we will be held accountable for providing this amount of Local Authority leverage. Failure to abide by this risks clawback of a commensurate amount of HMR Grant by DCLG for failing to meet with our promised match funding target. This would significantly de-rail the whole Programme.

Completed by: Jim Ohren and Tony Birrell

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Regeneration
Scheme Name: Gypsy and Traveller Accommodation

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
12	12	0	0	0

Funding sources: Housing Capital Allocation

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Funding consultations on future site provision together with fees for land surveys and valuation.

Consequences of non progression of scheme:

If Sefton is to fulfil the requirements of the Gypsy and Traveller Accommodation Assessment to provide increased pitch provision there is a need to appraise sites for suitability. Consultation is inevitably allied to this process and if a suitable site is identified it will be necessary also to survey and value the land, and draw up plans. Recent changes to national planning rules state that we have some flexibility to decide our needs locally, but the Government recommends we have regard to the existing policy framework and assessed needs, and they signal a review of the guidance. Meanwhile, the availability of site grant funding has been removed for this year at least. The consequences of removing this budget line this year means not being able to progress the site appraisals in any meaningful way, although given the unavailability of nationally provided site grant this is arguably of no practical consequence. We need to be mindful, though, that the assessed needs still remain and that we will need to take into account the results of the Government review when it is known. The timescale for this is not known.

Completed by: Jim Ohren

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Safer Stronger Communities Fund
Scheme Name: Safer Stronger Communities Fund

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
40	25	0	0	0

Funding sources: Govt. Grant – non ringfenced

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	0	0	0	0
Running costs (specify)	0	0	0	0
Funded from:				

The Scheme aims to: Reduce repeat victimisation, serious harm, and homicide through our public protection work in relation to highly vulnerable victims of Domestic and Sexual abuse, Hate crime and repeat victimisation. The scheme provides the 'physical' equipment and protection assessed as required under our risk assessment process to enable victims to remain in their home (rather than flee and declare homeless) and/or provide an adequate level of reassurance. It is intrinsically related to the work of the Domestic and Sexual Violence, and Hate Crime Multi Agency Risk Assessment Conferences, the Sanctuary Scheme and the Anti Social Behaviour Unit.

Consequences of non progression of scheme: It should be noted that the Home Office has already reduced this funding by 50% in 2010 and service provision has been adapted to manage this reduction. The inability to comply with the recommendation of the risk assessment for very high/high risk victims of Domestic and Sexual abuse, Hate crime and repeat victimisation that will leave them vulnerable to become victims of serious harm.

Legal advice also suggests that an officer of the Authority could be liable in relation to a charge of corporate manslaughter. When we have established a duty of care for a person's safety but the way in which we discharge our responsibility falls well below that which is deemed to be reasonable then in the case where the client is murdered our negligence will amount to a gross breach of duty.

In addition the service has significantly reduced the requirement of our homelessness services. It is estimated that the cost of a victim of violence and abuse needing to access temporary accommodation is on average £16,744 (Shelter and Home Office data). In 2009 140 Sanctuary schemes were installed resulting in a projected net saving to Sefton of £2,252,160.

Part of a post involved in the assessment of need will not be required. (revenue cost circa £9k , fully funded from Core & Supporting People grant)

Completed by: Amanda Langan

Date: 13th August 2010

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Technical Services
Scheme Name: Thornton Switch Island Link Road

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
5,912	250	1,949	2,015	0

Funding sources: Prudential Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	6	65	232	358
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The proposed Thornton to Switch Island Link scheme will provide a new single carriageway highway link between the A565 in Thornton and the Switch Island motorway junction, bypassing the local communities of Netherton and Thornton. The objectives of the scheme are to :

- Relieve traffic congestion on the local highway network and improve environmental quality for local communities;
- Improve local access, safety, public transport, walking and cycling;
- Improve access to Southport from the northwest's motorway system;
- Improve access to the Atlantic Gateway development sites in Netherton;
- Improve access to the Port of Liverpool by providing more reliable journey times on the A5036.

Consequences of non progression of scheme:

The scheme is subject to the Government's review of all major transport schemes, which will determine whether it receives future Government funding. If the scheme is not delivered, traffic congestion and associated noise, pollution emissions and traffic accidents will continue to increase on the existing highway network between Thornton and Switch Island. Strategic access to Southport, Atlantic Park and the Port of Liverpool will not be improved which may adversely affect their economic performance, especially in terms of visitors to Southport. Local access and conditions for public transport, walking and cycling would remain difficult. The scheme has very strong support from local communities in the area and there would be significant disappointment if the scheme was not delivered.

Completed by: Stephen Birch (Team Leader STPU)

Date: 11/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Technical Services
Scheme Name: Local Safety Schemes

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
450	350	0	0	0

Funding sources: Non ring fenced Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The schemes address three areas of the Borough which are exhibiting the highest level of injury collisions. The schemes will reduce collisions and therefore contribute to our national target in reducing the number of Killed and Seriously Injured (KSI) on Seftons roads. The schemes for Lambshear Lane (150K) and Cemetery Road (£100K) have received Area Committee approval and the scheme for Portland Street (£100k) has received Cabinet Member approval.

Consequences of non progression of scheme:

Collision numbers will not be reduced and consequently the KSI target may not be met. The public expectation of improvements to the highway will not be met.

The Lambshear Lane scheme is now on site and committed.

In addition the proposal for Portland Street (£100k) is matched by funds from Cycling England (£310k) to deliver an East – West cycle route along the Street. If the LTP funds are lost the scheme may not progress and the funds from Cycling England would also be lost.

Completed by: Dave Marrin

Date: 12.8.10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Technical Services
Scheme Name: Cycling Programme

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
200	190	0	0	0

Funding sources: Non ring fenced Grant

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs				
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

Dunnings Bridge Road Environmental Improvements - The cycling element of the scheme is for the upgrading of a footpath to cycleway between the allotments and Switch Island Leisure Park. In addition junction improvements will improve accessibility for both pedestrians and cyclists onto some of the existing network of cycle routes which link to the key employment sites on Dunning's Bridge Road.

Wennington Road – Continuation of the cycling link from the North of Southport to the development, health and education sites in the east

Consequences of non progression of scheme:

Dunnings Bridge Road - The £90k from the cycle programme is to be matched with £450k out of a specific Employment Section 106 Fund agreed with Tesco's. This fund is to be used to support employment related development proposals including the link to the key employment sites on Dunnings Bridge. The combined resource is then to be matched with an equal amount of ERDF resource which is currently set aside for the Dunning's Bridge Road Project. Failure to agree the Cycle programme funding will result in the Council not being able to secure the match funds as with the Tesco funds alone the project is of only limited benefit to the whole corridor.

Wennington Road – The scheme is a key element of and is matched by £100k funding from the Cycle Town Work Programme. Failure to deliver will result in the link not being provided and the match funding from cycling England not being claimed.

Completed by: Dave Marrin

Date: 12.8.10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Technical Services
Scheme Name: Carriageway Maintenance

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
1,381	1,200			

Funding sources:
 Unringfenced Supported Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	27	102	102	102
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

In common with most of Merseyside, Sefton's carriageways require considerable investment simply to maintain their existing condition. The annual LTP maintenance programme is a three year rolling programme prioritised to address those areas of carriageway most in need of repair or replacement. In 2010/11, the LTP programme was supplemented by an additional revenue sum agreed by Cabinet to respond to the high levels of carriageway deterioration resulting from the severe winter weather early in 2010.

A substantial proportion of the LTP programme has been committed, and delivery of the programme has been continuing, so additional commitments have been made since the uncommitted total was identified previously.

Consequences of non progression of scheme:

The existing levels of investment in highway maintenance are not sufficient to even maintain a steady-state in the condition of the carriageways. Combined with the effects of the winter weather, this has placed considerable pressure on Sefton's highway network. If the programme is not delivered, it will significantly compromise Sefton's abilities to fulfil its statutory highway management duties under the terms of the Highways Act.

Delaying or deferring highway maintenance schemes now will also mean that the carriageways continue to deteriorate, leading to potentially increased costs for repairs or replacements in the future.

Completed by: Stephen Birch, Team Leader, STPU

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Technical Services
Scheme Name: St. Luke's Bridge

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
1,311	148			

Funding sources:
 Unringfenced Supported Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	3	12	12	12
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

St Lukes Road Bridge has had major structural problems for a number of years. An assessment of the bridge identified serious weaknesses of the structure associated with the pavement areas and parapet beams. Detailed surveys and more rigorous structural analysis identified that there were additional problems involving more areas of the bridge structure. As a result, Network Rail requested that a major strengthening scheme was carried out on the bridge. The scheme was designed and developed in conjunction with Network Rail and was completed in 2010, with the spend being spread across 2009/10 and 2010/11. The potential saving resulted from the works being completed for less than the original scheme estimate.

However, health and safety risks have been identified for another bridge within the Council's capital programme (Ledson's Canal Bridge) resulting in additional works being required on that bridge. Technical Services Cabinet Member on 11th August approved a revision of the Bridges Capital Programme to use the saving from St Luke's Bridge to undertake the works on Ledsons Bridge.

Consequences of non progression of scheme:

If the funds are not made available for the additional works on Ledson's bridge, the structure will continue to deteriorate. This could lead to a risk of concrete falling from the bridge on to the towpath or the canal. In addition, if a vehicle was to strike the parapet rail, the whole parapet could collapse, including the service bay, which carries a gas main, water main and electricity and telecommunications cables. Given these risks, it has been recommended that the works are completed as a matter of urgency.

Completed by: Stephen Birch, Team Leader, STPU

Date: 13/08/10

CAPITAL PROGRAMME – UNCOMMITTED SCHEME DETAILS

Cabinet Portfolio: Technical Services
Scheme Name: Millers Bridge

Total Cost £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
1,311	100			

Funding sources:
 Unringfenced Supported Borrowing

Financial consequences of scheme progression:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Borrowing costs	2	8	8	8
Running costs (specify)				
Funded from:				

The Scheme aims to achieve:

The A5058 Miller's Bridge includes four separate structures crossing the Leeds Liverpool Canal. The structure crossing the Bootle Junction to Aintree Line and the Hunts Cross to Southport Line has been assessed by Network Rail. This assessment shows that the structure fails to meet the required safety and structural standards. Strengthening of this structure is, therefore, required. However, the resources are not available for a full strengthening scheme because a bid to the DfT has not been successful. The current scheme is a mitigation proposal that will temporarily address the problem and keep the bridge fully open for use.

Consequences of non progression of scheme:

The A5058 Miller's Bridge forms part of the Principal Route Network within Sefton and provides a major link between the Port of Liverpool and the north west's motorway network. It is also part of the abnormal load route network within Sefton. If the required works are not undertaken, the combination of structural condition and safety risks would require restrictions on vehicles to be introduced over the bridge. It may result in reducing the existing dual carriageway to a single carriageway with consequent impacts on the strategic freight route and the risk of significant traffic congestion along the route.

Delaying the required works would also create a risk of significantly increased costs for future remedial works because the scale of works may be much greater if the problems are not addressed now.

Completed by: Stephen Birch, Team Leader, STPU

Date: 13/08/10

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REPORT TO	Cabinet Council
DATE	2 nd September 2010 2 nd September 2010
SUBJECT	Proper Officer and Monitoring Officer Functions
WARDS AFFECTED	All
REPORT OF	Chief Executive
CONTACT OFFICER	Assistant Chief Executive (Contact: Andrea Grant Ext 2030)
EXEMPT/ CONFIDENTIAL	No

PURPOSE/SUMMARY:

To propose that the Assistant Director (Strategic Development & Management), Leisure Services shall be appointed as Proper Officer in relation to the registration of Births, Marriages and Deaths with effect from 3rd September, 2010.

To Propose that the Acting Head of Corporate Legal Services shall assume the role of Monitoring Officer for the Council with effect from 3rd September 2010 whilst the Head of Corporate Legal Services is on maternity leave.

REASON WHY DECISION REQUIRED:

The Council must have an officer responsible for all functions in relation to the registration of Births, Marriages and Deaths.

The Council must have a Monitoring Officer pursuant to s.5 of the Local Government and Housing Act 1989.

RECOMMENDATION(S):

That the Cabinet recommend to the Council that:

(1) the Assistant Director (Strategic Development & Management), Leisure Services be appointed as the Proper Officer for the registration of Births, Marriages and Deaths under the provisions of the Local Government Act 1972 and Registration Services Act 1953 and the regulations made thereunder;

(2) the Acting Head of Corporate Legal Services be appointed as the Monitoring Officer pursuant to s.5 of the Local Government and Housing Act 1989 with effect from 3rd September 2010 until such time as the Head of Corporate Legal Services

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returns to work following a period of maternity leave.

KEY DECISION: No

FORWARD PLAN: Not appropriate

IMPLEMENTATION DATE: Following consideration by Full Council

ALTERNATIVE OPTIONS:

That other appropriate persons be designated.

IMPLICATIONS:

Budget/Policy Framework: No additional financial implications.

Financial: There are no direct financial implications associated with the appointment of the Monitoring Officer or the Proper Officer for Births, Marriages and Deaths, as it is assumed this responsibility is within their current grade.

<u>CAPITAL EXPENDITURE</u>	2006/ 2007 £	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: The Council must have a Proper Officer for Births, Marriages and Deaths and must have a Monitoring Officer.

Risk Assessment:

Asset Management: Not applicable

CONSULTATION UNDERTAKEN / VIEWS

Chief Executive, Director of Corporate Services, Head of Corporate Legal Services, Assistant Chief Executive and Leisure and Tourism Director.

CORPORATE OBJECTIVE MONITORING:

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

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

None

BACKGROUND:

1.0

- 1.1 The Assistant Director (Democratic Services) is currently the Proper Officer for the registration of Births, Marriages and Deaths under the provisions of S112 of the Local Government Act 1972 and the Registration Services Act 1953 and appropriate regulations. It is proposed that the Assistant Director (Strategic Development and Management), Leisure Services be appointed the Proper Officer following the transfer of the related services to the Leisure Services Department.

- 1.2 The Head of Corporate Legal Services is currently the Monitoring Officer under the provisions of s.5 of the Local Government and Housing Act 1989 and she is due to commence a period of maternity leave with effect from 3rd September 2010. For the duration of the maternity leave the Principal Solicitor (Children and Social Care Team) will take the position of Acting Head of Corporate Legal Services and it is proposed that he undertake the role of the Monitoring Officer whilst he holds the post of Acting Head of Corporate Legal

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Services. The Assistant Director (Democratic Services) will remain as the Deputy Monitoring Officer for the Council.

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REPORT TO	Cabinet Council
DATE	2 nd September 2010
SUBJECT	Members' Allowances
WARDS AFFECTED	All
REPORT OF	Director of Corporate Services/Assistant Chief Executive
CONTACT OFFICER	Andrea Grant, Assistant Director (Democratic Services) 0151 934 2030
EXEMPT/ CONFIDENTIAL	No

PURPOSE/SUMMARY:

To request that proposed reductions in the Scheme of Members' Allowances be approved.

REASON WHY DECISION REQUIRED:

In order to achieve savings on the Members' Allowances budget.

RECOMMENDATION(S): That the Cabinet recommend to Council that

- (1) the views of the Independent Remuneration Panel on the proposal be noted;
- (2) the recommendations made by the Cabinet on 5th August 2010 be accepted;
- (3) the changes be implemented with effect from 2nd September 2010; and
- (4) any increases from 2011/12 continue to be linked to any National Joint Council (NJC) for Local Government employees pay awards.

KEY DECISION:	No
FORWARD PLAN:	Not appropriate
IMPLEMENTATION DATE:	2 nd September 2010

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ALTERNATIVE OPTIONS:

The alternative is to continue with the existing scheme.

IMPLICATIONS:

Budget/Policy Framework: The proposals represent an annual saving in the order of £25,400 (inc on costs) pa.

Financial:

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross saving in Revenue Expenditure			14,800	25,400
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal:

Risk Assessment: No specific risk assessment has been carried out, but the risks associated with the report are already being addressed as part of the Council's approach to risk management.

Asset Management:

CONSULTATION UNDERTAKEN / VIEWS

Leaders

CORPORATE OBJECTIVE MONITORING:

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

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

Report of the findings of the Independent Remuneration Panel 2007.

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1.0 **BACKGROUND:**

1.1 At its meeting on 5th August 2010, the Cabinet considered a report on the recommendations of the three Political Group Leaders for reductions to be made to the Scheme of Members' Allowances (Minute 74 refers).

1.2 It was resolved that

(1) the recommendations made by the Political Group Leaders in Section 2.3 of the report be referred to the Independent Remuneration Panel for consideration; and

(2) the Independent Remuneration Panel's response to the recommendations be reported to the Cabinet and the Council on 2nd September 2010, or as soon as possible.

1.3 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council has a duty to have regard to recommendations made to it by the Independent Remuneration Panel, prior to making or amending a Members' Allowances Scheme.

1.4 The following proposals were considered by the Panel:

- Basic Allowance for Members to remain unchanged;
- Weighting on Special Responsibility Allowances (SRA's) to remain unchanged;
- Payment of daily Special Responsibility Allowances to cease;
- The rates of all Special Responsibility Allowances be reduced by 5%.

1.5 Due to the short timescales involved it proved impossible to convene a formal meeting of the Panel. However an e-mail consultation with Panel members has taken place. Panel members raised a number of issues which have been responded to by Officers (see Appendix A).

1.6 The final responses from Members of the Panel are as follows:

Mrs Susan Lowe - The papers you enclose clarify the issue to some extent. Bearing in mind the very short timescale and the fact that we have been unable to meet to discuss the matter, I can only state that the reductions seem reasonable as a short term expedient.

Any further responses received will be circulated at the meeting.

Q. Some of the daily Special Responsibility Allowances were given to Members to fulfil statutory functions e.g. visits to Children's Homes, and noting that before allowances were given not many Members undertook them - should there be confirmation that Members will still be doing these duties after September 1st?

A. The Panel last met on 16th November 2009 at which meeting it was resolved that the request to pay traveling expenses to those Members who undertake statutory Regulation 33 visits to Children's Homes be declined. Members attending such visits have never been entitled to a daily SRA.

The reference in the Cabinet report to the ceasing of payments of daily Special Responsibility Allowances refers to the following parts of the scheme:

Members of Licensing Sub Committee	£35.00 Daily rate
Members of Planning Visiting Panel	£35.00 Daily rate
Members of Adoption Panel	£35.00 Daily rate
Members of Fostering Panel	£35.00 Daily rate

The requirement to convene these meetings will not cease although it is fair to point out that meetings of the Licensing Sub-Committee will now be at a somewhat reduced rate from when the Sub-Committee was first established.

Q. A clear date and timetable be drawn up by Legal Services to instigate a review - probably before the end of the current Municipal Year.

A. A timetable for the review of the Scheme of Members' Allowances will be submitted for approval and subsequently a calendar of meetings for the Panel will be drawn up (in full consultation with Panel members).

Q. What is the position of the Committee as to when it is convened and meets, and who decides when we meet?

A. The Panel is required to meet at least annually to recommend a Scheme of Members' Allowances for the following Municipal Year to the Standards Committee and on to full Council. The Panel is also consulted each time the Council amends its Members' Allowances Scheme. However, the Panel does not need to approve a Scheme annually if the Scheme includes provision for adjustments to the level of allowances to be determined according to a specified index - the Scheme would also need to specify how long that index should apply (subject to a maximum of four years).

Q. Could a paper still be drawn up for us that spells out what the above proposals actually mean i.e. : The list of current weightings for Special Responsibility Allowances?

Q. How many daily Special Responsibility Allowances were actually paid in 2009/2010 and for what functions/duties?

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- Q. What a 5% reduction actual means in financial terms for all the holders of Special Responsibility, e.g. current allowance and propose allowance with 5% reduction?
- Q. I would like to understand the savings of £25,400 as a percentage of the Members Budget.
- Q. It would also be useful to understand the percentage reductions being sought by the Council across its various budget heads.
See attached paper

REPORT CIRCULATED FOR CONSULTATION

Report to: Independent Remuneration Panel

Title of Report: Scheme of Members' Allowances

Report of: John Farrell – Interim Head of Corporate Finance & Information Services

Contact Officer: John Farrell - 0151 934 4339

1. Introduction and Background

- 1.1 The Council has 66 Members all of whom receive a Basic Allowance, which is £8,970 for 2010/11. In addition certain Members receive a Special Responsibility Allowance (SRA) which is calculated based upon a multiplier of the Basic Allowance.
- 1.2 The Panel last met on 16th November 2009 because the Council had asked them to review their previous recommendations which had included an increase to the SRA for the Chairs of Overview & Scrutiny Committees (costing an additional £20,000).
- 1.3 At the meeting the Panel recognised the Council's budgetary concerns regarding their proposals but had received no further information which would cause them to revise their original recommendations
- 1.4 The Council deferred any decisions on the proposals and also decided that in view of the current financial climate, they wished to defer the planned review of the full Scheme.

2 Matters for consideration

- 2.1 The Leaders of the political groups met to discuss the Scheme of Members' Allowances with a view to contributing towards the savings required by the Council, and made the following recommendations:
 - that the current rate of Basic Allowance remains unchanged for 2010/11
 - that the weightings for the Special Responsibility Allowances remain unchanged for 2010/11.
 - that payment of the daily Special Responsibility Allowances should cease
 - that the rates of all Special Responsibility Allowances (including the Mayoral) be reduced by 5%The effects of the changes are attached at Annex A
- 2.2 The Leaders also recommended that the changes should be implemented with effect from 1st September 2010 saving £14,800, and that any increases from 2011/12 continue to be linked to any National Joint Council (NJC) for Local Government employees pay awards.

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- 2.3 Cabinet on 5th August 2010 approved the recommendations subject to consultation with the Independent Remuneration Panel.
- 2.4 The Independent Remuneration Panel are therefore requested to consider the proposals above.

Information on Members Allowances 2010/11

Annex A

Basic Allowance - £8,970 paid to all Members of the Council

Special Responsibility Allowance (SRA)

Paid to the following Members in addition to their Basic Allowance

	Current	Proposed
Leader of the Council	£26,910	£25,560
Party Leaders (with Cabinet position)	£22,425	£21,300
Other Members of the Cabinet	£17,940	£17,040
Chair of Planning Committee	£8,970	£8,520
Chairs of Overview and Scrutiny Committees	£4,485	£4,260
Chair of Licensing and Regulatory Committee	£8,970	£8,520
Chair of Audit and Governance Committee	£4,485	£4,260
Party Spokespersons for all Cabinet & Planning	£4,485	£4,260
Waste Disposal Authority - Chair	£8,970	£8,520
Members of Licensing Sub Committee	£35.00 per day	Nil
Members of Planning Visiting Panel	£35.00 per day	Nil
Members of Adoption Panel	£35.00 per day	Nil
Members of Fostering Panel	£35.00 per day	Nil

Cost of Current Scheme including on costs - £1,162,200

Cost of proposed Scheme including on costs - £1,136,800

Savings by reducing SRA by 5% (inc on costs) - £25,400

Overall reduction – 2.1% reduction

Daily SRA information 2009/10

103 claims were paid – costing £3,448 including on costs

The Council's saving

The current estimate of savings required by the Council is £53m over the next 3 years, (with £20m being required to balance the budget for 2011/12), but Departments have not been issued with target percentages.

The Council's gross budget is approximately £600m+ but within this figure are contractual commitments, repayments of debt, and other items that reduce the amount from which savings can realistically be found to about £227m.

In simplistic terms it can be argued that savings of approximately 9% need to be achieved (£20m out of £227m) for 2011/12 which increases to 23% (£53m out of £227m) by 2013/14.

Departments have put forward proposals in parallel with the Members' exercise of prioritising services. They are conscious that there may be elements of double counting between the two exercises and this is being examined very carefully by the Strategic Leadership Team, Transformation team and Financial Management.

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It should be noted that senior managers have had a pay freeze in 2009/10 and 2010/11 with every possibility that the freeze will continue into 2011/12 and 2012/13. Based upon the RPI increases between April 2009 and June 2010 this is the equivalent of approximately 6% reduction in real terms.

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REPORT TO: Cabinet Member - Corporate Services
Cabinet

DATE: 1st September 2010
2nd September 2010

SUBJECT: The Local Land Charges (Amendment) Rules 2010

**WARDS
AFFECTED:** All

REPORT OF: Assistant Chief Executive

**CONTACT
OFFICER:** Andrea Grant (Assistant Director - Democratic Services
Ext. 2030)

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To inform Members of the publication and enactment of the above Rules and their implications for the Council.

REASON WHY DECISION REQUIRED:

To inform Members of the loss of income as a result of the above rules.

RECOMMENDATION(S):

That the Cabinet Member (Corporate Services) note the report and budgetary implications

Recommend to Cabinet :

- (1) That the implications of the enactment of the above Rules on fee income be noted as a budget issue in this Financial year and future years;
- (2) Consider the income targets for the Land Charges Section for the current year;
- (3) Note the intention to bring a further report on a fee charging regime for Land Searches, following a review of the current charging position, with the aim of bringing charges in line with the spirit of European legislation and with any LGA guidance issued to Local Authorities.

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KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: Following the expiry of the 'call-in' period for the Minutes of the Cabinet Meeting.

ALTERNATIVE OPTIONS: None available.

IMPLICATIONS: As a result of changes in legislation, the Council will receive reduced levels of fee income from Land Charge Fees.

Budget/Policy Framework:

Financial: As a result of the enactment of the Local Land Charges (Amendment) Rules 2010 revoking charges relating to Personal searches of the Land Charges register, the Council will stand to lose real Fee income estimated to be £56,000 in 2010/11 rising to £84,000 in 2011/12. Members are asked to consider allowing a budget adjustment for this loss of income in 2010/11.

A review will be carried out of the current charging mechanism by the Planning Department, who are to administer the Land Search Section from 1 September 2010, and a further report containing a more realistic charging regime and revised income budget, will be brought to Members in the near future.

<u>CAPITAL EXPENDITURE</u>	2010 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross increase in Revenue Expenditure	56,000	84,000	84,000	84,000
Funded by:				
Sefton funded Resources	56,000	84,000	84,000	84,000
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: The implementation of the Rules is a statutory requirement.

Risk Assessment:

Asset Management: No implications.

**CONSULTATION UNDERTAKEN/VIEWS
FD476 – THE INTERIM HEAD OF CORPORATE FINANCE AND ICT
STRATEGY HAS BEEN CONSULTED AND HIS COMMENTS HAVE BEEN
INCORPORATED WITHIN THIS REPORT.**

CORPORATE OBJECTIVE MONITORING:

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

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

None under the meaning of the Access to Information Act.

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1.0 Background

1.1 In October and November 2009, reports on the fees basis of Local Land Charges were considered by both Cabinet Member (Corporate Services) and Cabinet. At that time, further legal advice was being sought by the Local Government Association.

2.0 Latest Legislation

2.1 On 31st July 2010 the Government published the Local Land Charges (Amendment) Rules 2010 which come into force on 17th August 2010.

2.2 The Local Land Charge Rules 1977 specified that Local Authorities could charge a fee (currently £22) for the inspection of their Local Land Charges Registers (which in general terms record matters of public interest affecting individual properties). However, the Environmental Information Regulations 2004 (EIR) provide that access to environmental information must be available free of charge. As the vast majority of local land charges contain environmental information, the Amendment Rules revoke the fee for inspection in person of the registers, to ensure that the two pieces of legislation are consistent. A reasonable charge may still be made under the EIR when the information is requested otherwise than in person, for example, by post or e-mail.

3.0 Financial Implications

3.1 The publication of this instrument is likely to focus attention on the fact that Local Authorities have charged for personal searches of the Local Land Charges Register since 2005 when the EIR came into force. The Instrument indicates that, in these cases there could be an obligation on Local Authorities to refund the fee paid. However, each case will depend on its own facts and, for example, an agent who has passed on the cost of the fee to another person might be unjustly enriched by a refund and not entitled to one. Legal advice will be sought on any individual claims.

3.2 The income target for the Land Charges Section is currently £300,000. It is estimated that the real loss of income from the revocation of the Personal Search Fee will be in the region of £56,000 in 2010/11 rising to £84,000 in 2011/12.

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REPORT TO: Cabinet

DATE: 2 September 2010

SUBJECT: Treasury Management 2010/11 – First Quarter Update

WARDS AFFECTED: All

REPORT OF: John Farrell
Interim Head of Corporate Finance and ICT Strategy

CONTACT OFFICER: Jeff Kenah
0151 934 4104

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To inform members of Treasury Management Activities undertaken in the first quarter of 2010/11.

REASON WHY DECISION REQUIRED:

To comply with the requirements of the Council's Treasury Management Policy Statement.

RECOMMENDATION(S):

Cabinet is requested to note the Treasury Management update for the first quarter of 2010/11.

KEY DECISION: No

FORWARD PLAN: No

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

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ALTERNATIVE OPTIONS:

This report is put before Cabinet in order to comply with the Treasury Management Policy and Strategy document 2010/11 that was approved by Cabinet in March 2010.

IMPLICATIONS:

Budget/Policy Framework: Compliance with the Policy and Strategy Documents, incorporating appropriate reporting, will enable the Council to secure the most favourable terms for raising funds, maximise returns on investments whilst at all time minimising the level of risk to which it is exposed.

Financial: There are no additional Financial implications as a result of the report.

<u>CAPITAL EXPENDITURE</u>	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure	---	---	---	---
Funded by:	---	---	---	---
Sefton Capital Resources	---	---	---	---
Specific Capital Resources	---	---	---	---
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	---	---	---	---
Funded by:				
Sefton funded Resources	---	---	---	---
Funded from External Resources	---	---	---	---
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

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Legal: None.

Risk Assessment: Compliance with the Policy and Strategy Documents minimise the level of risk to which the Council is exposed.

Asset Management: None.

CONSULTATION UNDERTAKEN/VIEWS

Discussion with the Council's Treasury Management Advisor – Sector Treasury Services.

CORPORATE OBJECTIVE MONITORING:

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

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

None.

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1. BACKGROUND

- 1.1 The Treasury Management Policy and Strategy document for 2010/11 (approved by Council on 4 March 2010) included a requirement for quarterly reports to be provided to Cabinet on the investment activity of the Authority. This report is the first of such documents and presents relevant Treasury Management information for the period ending 30 June 2010.
- 1.2.1 The report includes information on the investments held / entered into during the period and the interest rates obtained (with a comparison of performance against a standard benchmark figure). In addition, the report highlights whether there has been any variance from the Treasury Management Policy Strategy and the Prudential Indicators (the operational boundaries within which we aim to work).
- 1.2.2 It is noted within section 7 that two of our Prudential Indicators have been breached. These are internal indicators set by the Council, and we aim to remain within these boundaries. The breaching of these indicators has been caused by specific reasons which are not considered to be an indication of any inherent problems.
- 1.4.1 The only indicator that would be required to be reported to Council if it was breached, under the Prudential Code Fully Revised Second Edition 2009, is the authorised limit, which is the maximum that the Council is allowed to borrow. This indicator has not been breached.

2. INVESTMENTS HELD

- 2.1 Investments held at the end of June 2010 comprise the following:

Overnight deposits

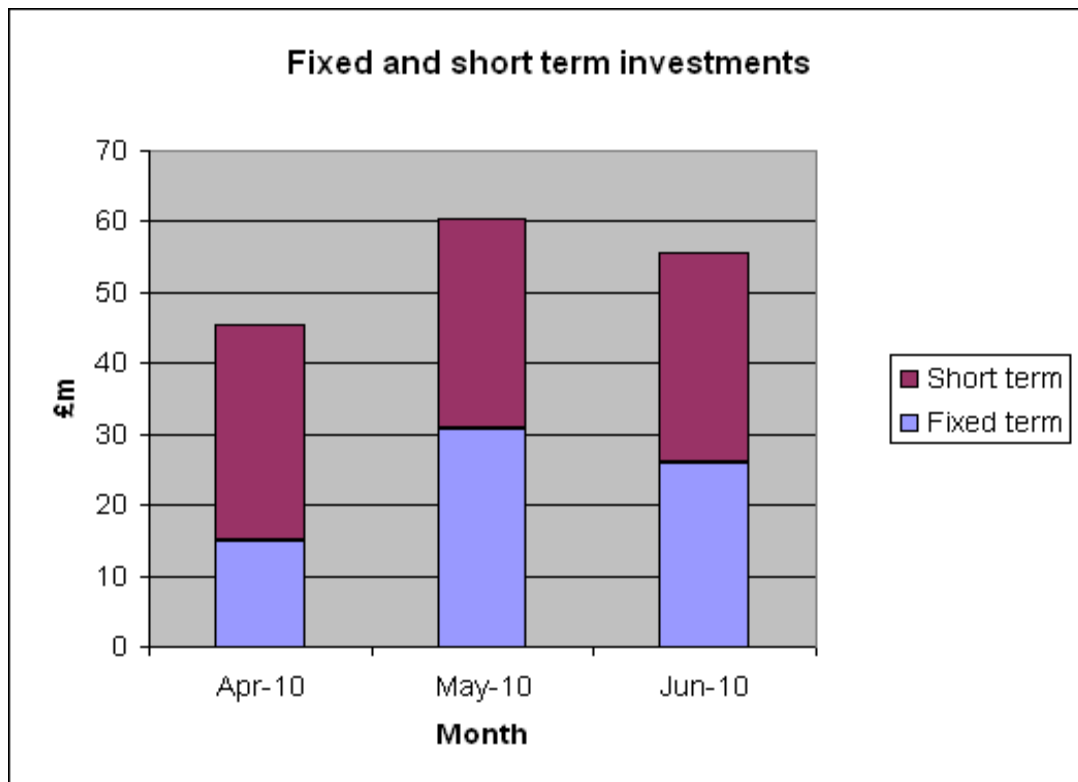
Institution	Deposit £m	Rate %	Maturity date	On current counterparty list?
Santander Group	15.000	0.80	N/A	Yes
Lloyds	9.310	0.75	N/A	Yes
Natwest	5.000	0.80	N/A	Yes
Blackrock MMF	0.180	0.43	N/A	Yes
Total	<u>29.490</u>			

Fixed term deposits

Natwest	10.000	1.32	30/11/2010	Yes
Barclays	6.000	0.92	18/11/2010	Yes
Barclays	5.000	0.90	17/11/2010	Yes
Lloyds	5.000	1.82	30/11/2010	Yes
Total	<u>26.000</u>			
TOTAL	<u>55.490</u>			

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- 2.2 All of the organisations are on the current counterparty list. The maximum level of investment permitted in any one institution, or banking group, is currently £25m. Whilst the maximum should be retained, in case conditions change, a day to day operational maximum of £15m is currently being imposed. This will spread the risk of investments for the Council, but will have a small detrimental impact on the returns the Council will receive in the future.
- 2.3 The ratio of overnight deposits (i.e. short term) to fixed term investments is illustrated below:



- 2.4 The recent economic situation has provided challenges for the Council with regard to its investment strategy. The report presented to Cabinet on 11 June 2009 explained the difficulties in identifying banking institutions to invest in (which provided reasonable investment returns), whilst remaining within the deposit limit of £15m. Consequently, Cabinet agreed to increase the deposit limit from £15m to £25m. Since the approval of the new limit, the Council has remained within that boundary. At present, it is not expected that there will be any need to review this limit.

3 INTEREST EARNED

- 3.1 The performance of investments against budget for the first quarter of the year is shown below:

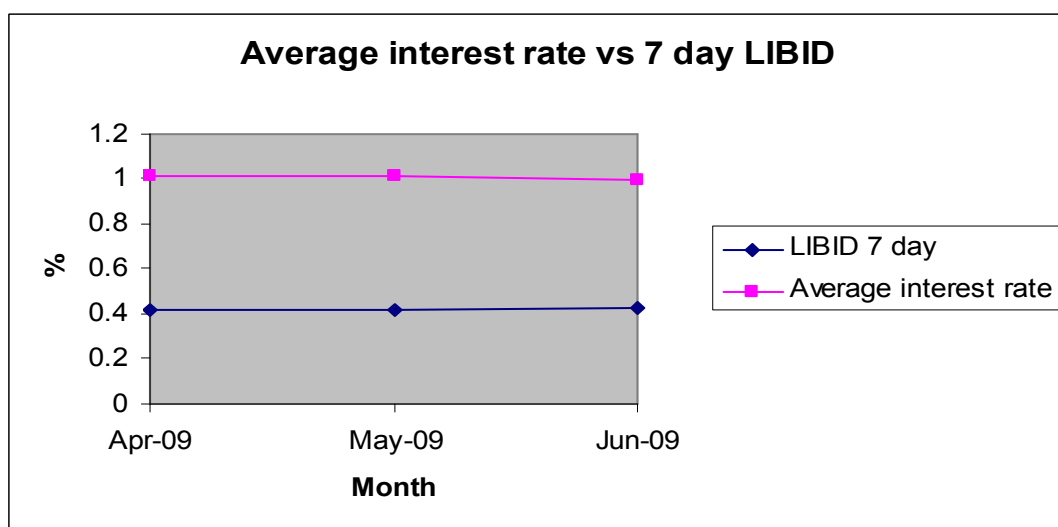
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2010/11 Quarterly Investment Income

	Budget '000s	Actual '000s	Variance '000s
Qtr1	40	110	70

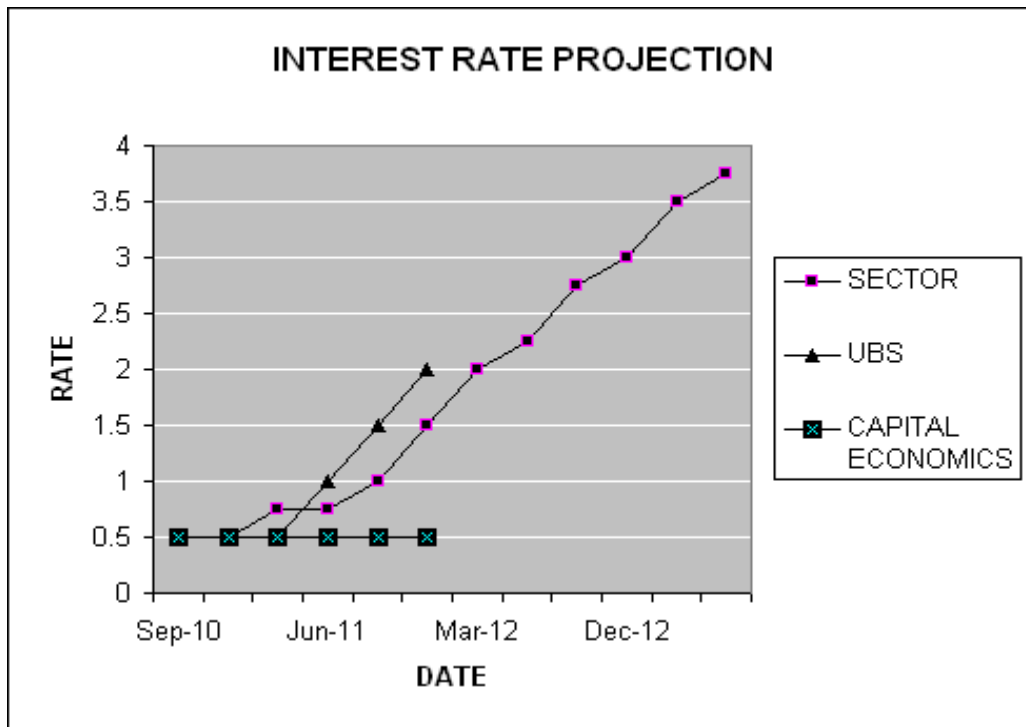
- 3.2 The budgeted investment average interest rate for 2010/11 is 0.515%, which equates to £0.228m income for the year. This figure assumes the income from investments already in place at 1st April 2010 and new returns based upon Bank of England's Base Rate projection as supplied by SECTOR.
- 3.3 The investment income achieved during the first quarter is £0.110m, which equates to an average interest rate of 0.99%.

We have outperformed the 7 day LIBID average as follows:



4 LATEST BANK OF ENGLAND BASE RATE FORECAST

- 4.1 SECTOR's base rate projection has been recently revised down slightly from April 2011 onwards. This is based upon the view that the economic recovery will be slower than expected.
- 4.2 SECTOR's revised base rate projection is detailed in the graph below. It compares Sector's base rate projection with those of UBS and Capital Economics.



During a recent meeting with SECTOR, it was noted that there is likely to be a revision to SECTOR'S interest rate projection in the next few weeks.

5 COUNTERPARTY LIST

- 5.1 The current counterparty list is detailed in **Appendix A**. There is little change to the composition of the list when comparing the position at the end of Qtr 4 2009/10 and Qtr 1 2010/11, which does suggest that an element of stability has returned to the banking sector.

7 PRUDENTIAL INDICATOR MONITORING

- 7.1 Prudential indicators are an integral component of measuring how prudently a Council is acting with regard to its finances. They were introduced into all local authorities (by CIPFA) following the Local Government Act 2003. A number of measures/limits/parameters including capital financing, external debt, impact on council tax, and treasury management are set prior to the start of the year and are monitored on a monthly basis.

- 7.2 It should be noted that two of the prudential indicators have been breached.

(i) The Capital Financing Requirement (CFR) limit has been breached by £0.85m. This is because when the indicator was calculated an assumed asset value of £6m was used in respect of the Crosby Leisure Centre PFI scheme, the valuation being supplied by Sector, our Treasury Management Consultants. The actual value of the asset at 31 March 2010 as valued by Capita Symonds was £7.525m, which has caused the breach. This issue was reported in the Prudential Indicators Outturn report 2009/10 as presented to Cabinet on 8 July 2010. This indicator will be monitored over the coming months and a revision of the indicator may be put forward; and

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(ii) The Interest Rate Exposure Indicators has been exceeded:

- The limits for fixed rate interest rate exposure expressed as a percentage of net outstanding debt were set to remain between 200% and 120%.
- The limits for variable rate interest rate exposure expressed as a percentage of net outstanding debt were set to remain between -20% and -100%.

7.4 The above indicators are there to prevent either too much investment in fixed or variable interest rate arrangements. This is to ensure a reasonable balance between fixed rate investments where cash is locked away, and variable rate investments that earn a lower rate of interest but give more immediate access to funds.

7.5.1 The variance in both of these indicators is due to the higher level of overnight deposits being held than originally envisaged. As noted in paragraph 2.3, the problem of identifying institutions with which to invest has meant higher levels of investments in liquid funds, including Money Market Funds. Although these deposits do not earn as much income as fixed term deposits, they are felt to be safer in current economic conditions due the immediate access to funds that they allow. Hence, this breaching of these indicators may continue over coming months, and no corrective action is considered necessary. If monitoring does suggest that these indicators will continue to be breached, a revision of the indicators may be put forward.

7.6 The breaching of these indicators has been caused by specific reasons which are not considered to be an indication of any inherent problems.

8 **RECOMMENDATION**

Cabinet is asked to note the Treasury Management update for the first quarter 2010/11.

Appendix A

SEFTON COUNCIL STANDARD LENDING LIST

<u>UK and International Banks (including Nationwide Building Society</u>	RATING	Negative rating watch?	Individual rating	Support rating	CDS	Deposit £000s
<u>United Kingdom AAA</u>						
Santander UK)	F1+ / AA-	Yes	B	1	In range	
Barclays	F1+ / AA-	Yes	B	1	In range	
Clydesdale Bank	F1+ / AA-	Yes	C	1	N/A	
HSBC	F1+ / AA	Yes	B	1	In range	
Lloyds TSB/HBOS - nationalised	F1+ / AA-		C	1	N/A	
RBS Group – nationalised	F1+ / AA-	Yes	D/E	1	N/A	
Nationwide	F1+ / AA-	Yes	B	1	Monitoring	
<u>Canada AAA</u>						
Bank of Montreal	F1+ / AA-		B	1	N/A	
Bank of Nova Scotia	F1+ / AA-		B	1	N/A	
Canadian Imperial Bank of Commerce	F1+ / AA-	Yes	B	1	N/A	
Royal Bank of Canada	F1+ / AA	Yes	A/B	1	N/A	
Toronto Dominion Bank	F1+ / AA-	Yes	B	1	N/A	
<u>Finland AAA</u>						
Nordea Bank	F1+ / AA-		B	1	N/A	
<u>France AAA</u>						
BNP Paribas	F1+ / AA	Yes	B	1	In range	
CNCE Calyon Corporate & Investment	F1+ / AA-	Yes	C	1	Monitoring	
Credit Industriel et Commercial	F1+ / AA-		B/C	1	N/A	

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<u>UK and International Banks (including Nationwide Building Society)</u>	RATING	Negative rating watch?	Individual rating	Support rating	CDS	Deposit £000s
<u>Germany AAA</u>						
Deutsche Bank	F1+ / AA-	Yes	B/C	1	In range	
Landwirtschaftliche retenbank	F1+/AAA		W/D	1	N/A	
<u>Netherlands AAA</u>						
Bank Nederlandse Gemeenten	F1+ / AAA		A	1	N/A	
Coop Centrale Raiffeisen – Boerenleenbank BA	F1+ / AA+	Yes	A	1	In range	
<u>Singapore AAA</u>						
DBS	F1+ / AA-		B	1	In range	
Overseas Chinese Banking Corporation	F1+ / AA-		B	1	In range	
United Overseas Bank	F1+ / AA-		B	1	In range	
<u>Sweden AAA</u>						
Nordea Bank	F1+ / AA-	Yes	B	1	N/A	
Svenska Handelsbanken	F1+ / AA-	Yes	B	1	In range	
<u>Switzerland AAA</u>						
Credit Suisse	F1+ / AA-	Yes	B/C	1	In range	
<u>USA AAA</u>						
Bank of New York Mellon	F1+ / AA-		A/B	2	N/A	
Deutsche Bank Trust Company Americas	F1+ / AA-	Yes	N/R	1	N/A	
HSBC Bank USA	F1+ / AA	Yes	B/C	1	N/A	
JP Morgan Chase Bank	F1+ / AA-	Yes	B	1	In range	
Wells Fargo	F1+ / AA-	Yes	B	1	In range	

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REPORT TO: Planning Committee
Cabinet Member – Regeneration
Cabinet

DATE: 18 August 2010
1 September 2010
2 September 2010

SUBJECT: Informed Assessment of the Economic Viability of
Affordable Housing in Sefton

**WARDS
AFFECTED:** All

REPORT OF: Andy Wallis, Planning & Economic Regeneration Director
Alan Lunt, Neighbourhoods & Investment Programmes
Director

**CONTACT
OFFICER:** Alan Young – Strategic Planning and Information Manager
Tel: 0151 934 3551

Jim Ohren – Principal Manager
Tel: 0151 934 3619

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To report the comments received during consultation on the draft Informed Assessment of the Economic Viability of Affordable Housing (available to view online at www.sefton.gov.uk/affordablehousing)

To seek approval of the final Informed Assessment of the Economic Viability of Affordable Housing (available to view online at www.sefton.gov.uk/affordablehousing) as part of the evidence base for the Local Development Framework, taking into account consultation comments.

REASON WHY DECISION REQUIRED:

To comply with national planning guidance on the need to provide a robust evidence base for Sefton's affordable housing policies in the Local Development Framework

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RECOMMENDATION(S):

That:

- (i) Planning Committee and Cabinet Member - Regeneration note the comments received during consultation process into the draft study, the responses to those comments, endorse the final Informed Assessment of the Economic Viability of Affordable Housing and recommend that Cabinet approves them to inform the emerging Core Strategy for Sefton;
- (ii) Subject to (iii) below, Planning Committee adopts the key findings of the study to inform the emerging Core Strategy process for Sefton; and
- (iii) **Cabinet notes the comments received during consultation process, the responses to those comments and approves the final Informed Assessment of the Economic Viability of Affordable Housing to inform the emerging Core Strategy process for Sefton.**

KEY DECISION: YES

FORWARD PLAN: YES

IMPLEMENTATION DATE: Following expiry of call in period after Cabinet meeting on 2nd September 2010

ALTERNATIVE OPTIONS:

None

IMPLICATIONS:

Budget/Policy Framework:

Financial:

The cost of the study (£25,000) has been covered by an existing agreed budget line in the Housing Capital Programme.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2013/ 2014 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: N/A

Risk Assessment: N/A

Asset Management: N/A

CONSULTATION UNDERTAKEN/VIEWS

- FD 480 – The Interim Head of Corporate Finance and ICT Strategy has been consulted and has no comments on this report.
- The Head of Corporate Legal Services has been consulted and there are no legal implications in this report.

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CORPORATE OBJECTIVE MONITORING:

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

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

Affordable Housing Viability Assessment Final Report, Three Dragons, July 2010

INFORMED ASSESSMENT OF THE ECONOMIC VIABILITY OF AFFORDABLE HOUSING IN SEFTON

BACKGROUND:

- 1.1 Members may recall earlier this year (i.e. Planning Committee 10th March 2010, Cabinet Member – Regeneration 17th March 2010) that a draft Informed Assessment of the Economic Viability of Affordable Housing was reported before going out for public and stakeholder consultation. The need to carry out such an assessment is set out in Planning Policy Statement 3 and reinforced by the landmark Blyth Valley Legal Decision. This essentially concluded that a Core Strategy could be found unsound if its affordable housing policies were not supported by such an assessment. This line has subsequently been firmly supported by the Planning Inspectorate at Core Strategy public inquiries.
- 1.2 The assessment was produced on the Council's behalf by its retained specialist consultants Three Dragons (the commissioning of whom was reported to Planning Committee on 6th May 2009, Cabinet Member – Regeneration on 6th May 2009, and Cabinet on 14th May 2009). The assessment was informed by a range of evidence (such as data on past affordable housing projects, residential land values and house prices) and through information gathered from an initial workshop held with representatives from developers, registered social landlords, private sector landlords, neighbouring authorities and government housing and development agencies in August 2009.
- 1.3 In line with best practice the draft assessment was made available for wider public and stakeholder consultation, before being finalised.

CONSULTATION UNDERTAKEN:

- 2.1 The consultation period for comments to be made on the draft Assessment began on 25th March 2010. In line with our Statement of Community Involvement the draft Assessment was made available to view in a number of locations throughout Sefton, including the Planning offices in Bootle, at Bootle, Crosby, Formby, Maghull and Southport libraries and on the Sefton website. The availability of the draft Assessment was advertised in the local press, in the London Gazette and on the Sefton website. We also sent letters to over 200 organisations our Local Development Framework database.
- 2.2 Additionally we held a further workshop, hosted by our consultants Three Dragons during the consultation period. The workshop was held on 17th May 2010 in Bootle Cricket Club and was attended by representatives from developers, registered social landlords, private sector landlords and neighbouring authorities. At the workshop the discussions centred on the key findings of the draft assessment, including the level of affordable housing we should seek in different locations, the size of developments that we should apply affordable housing policies to and the potential use of commuted sum

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payments in lieu of affordable homes that cannot be provided on site as part of a development.

- 2.3 Overall the consultation period ran for 9 weeks and concluded on Friday 28th May 2010. This was longer than our usual 6 week consultation but allowed the consultation to straddle the Easter holidays and for comments to be made following the second workshop to be taken into consideration. In total we received comments from 9 organisations. These comments are set out in a report of consultation available to view at www.sefton.gov.uk/affordablehousing along with our response and changes made to the assessment as a result.

SUMMARY OF COMMENTS RECEIVED DURING CONSULTATION:

- 2.4 The comments received to the draft assessment were wide-ranging and detailed but some common themes were identified.

(i) Study Methodology

- 2.5 It was questioned whether there was too much reliance on findings that are based primarily on a model. Given the wealth of information that Sefton has from its recently completed Strategic Housing Land Availability Assessment (SHLAA) and Strategic Housing Market Assessment (SHMA) couldn't the assessment be based more on empirical evidence?
- 2.6 *Three Dragons Response – In their experience of undertaking these studies an approach that is based on actual sites will inevitably suffer from lack of detailed information. It is very difficult to draw policy conclusions in a systematic way based on a sample of sites. Rather a more generalised approach is needed to draw out the key policy lessons. Analysis of actual sites may also undersell policy where the sample is often, in their experience, weighted too heavily towards high abnormal development costs. Using a High Level testing approach allows policy to be assessed on the basis of normal costs and revenues across a range of sub markets. Nonetheless, those sites that have particular issues that would affect the viability of affordable housing would be subject to detailed discussions using the assessment as a starting point.*
- 2.7 The methodology assumes that higher levels of affordable housing do not affect market house prices. Anecdotal evidence shows that there is a correlation between higher levels of affordable housing and a decrease in market prices. The methodology should factor in this when determining viability.
- 2.8 *Three Dragons Response – We are unaware of any systematic body of evidence that suggest that prices change in line with the percentage of affordable homes and accordingly do not accept this point. This information was requested from the workshop but none was forthcoming. It is the consultants' view, in line with similar studies carried out elsewhere, that a 'stigma' effect should not be attached to the analysis, particularly where*

housing needs are pressing. If a developer can prove such an impact on a particular site, then this should be evidenced in the site specific data provided.

(ii) Impact of section 106 requirements

- 2.9 The assessment assumes a standard level of section 106 contributions of £5000 per unit. It isn't clear what this includes, for instance the requirement to build homes to meet the Code for Sustainable Homes Standard. In many cases the contributions can be significantly greater and this may be exacerbated by the future introduction of a tariff-based system such as Community Infrastructure Levy (CIL). The level of contributions and other associated costs are important factors in assessing viability of affordable homes.
- 2.10 *Three Dragons Response – We accept that in some cases costs are greater than £5000 per unit. A per unit levy was tested in the report and acts as a proxy for any form of CIL or tariff. In addition, the assessment commented on a level of £10,000 per unit. Notwithstanding this, the Council will have to be flexible in weaker market locations to ensure costs do not make affordable housing unviable.*

(iii) Financial assumptions and modelling

- 2.11 The assessment needs to establish the actual land values at which land will be brought forward for development. Judgement will need to be made about the uplift over and above existing land use values and how this 'planning gain' will affect the viability of affordable homes.
- 2.12 *Three Dragons Response – There is a difference between land value and residual value. The market process will settle the value of land. Where the market does not discount land for the policy then what is paid for land could be higher than what it is worth. Uplift will not necessarily be the whole basis of the process in setting policy. The consultants would not wish to prescribe this uplift too tightly as it will vary for different types of sites. The workshop did not provide any standard assumptions for uplifts although the consultants have taken into account the experience of other similar authorities when recommending the policy target options.*
- 2.13 The assessment does not differentiate between the financial assumptions of small sites (those below 15 homes) and larger sites. Small sites are self evidently unable to benefit from the economies of scale and fixed costs are likely to represent a larger share of the development budget.
- 2.14 *Three Dragons Response – Numerous workshops have been held in most parts of the country where small sites have not been seen as being systematically more expensive to develop than large ones. The consultants accept the argument about economies of scale and costs may be higher on smaller sites. However, evidence from the Valuation Office tends to support the argument that smaller sites, in general, tend to generate higher land values*

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than larger ones. This is likely to suggest that although costs may be higher, values are also higher (and 'exclusivity' factor).

- 2.15 The assessment does not assume any costs relating to the acquisition and holding of land. Land is an 'upfront' cost in the development process and the cost of holding land throughout the development process can be significant.
- 2.16 *Three Dragons Response – There is a land finance deduction of 10% off residual to take account of this. Inevitably this may not be enough in some instances but will be too much in others. Site by site testing for negotiations will discover the actual scale of this cost in any given location.*
- 2.17 The assessment assumes a reasonable developer profit as 15% but it should be noted the level of profit a developer would expect is reflective of the risk involved. Other well established residual land valuation models advise 17.5 – 20% developer profit with some other specialist types of accommodation expecting a profit of 20-25%.
- 2.18 *Three Dragons Response – A 15% margin has recently been held (at the Hinckley and Bosworth Core Strategy Development Plan Inquiry) as being a reasonable figure for plan making purposes. However the Council may possibly be prepared under very difficult market conditions to accept a higher margin subject to justification. It is always important in these situations to make a distinction between profit on (gross development) value and cost. In our experience a 15% margin on value will usually generate a 20% return on cost. In higher value areas this will be higher still. Recent developments in the Sefton area have gone ahead with a margin below 15%. The Council may be prepared, according to market circumstances, to accept a higher margin in site-specific cases.*

(iv) Site specific issues

- 2.19 Formby should not have higher affordable housing targets than elsewhere. There should be a single target for the whole of Sefton set at the indicative national standard of 15 homes.
- 2.20 *Three Dragons Response – The sites with the greatest potential for affordable housing are the higher value areas. The report underlines the difficulty in delivering affordable housing in lower value areas. A large amount of Sefton's available land for development is on small sites. By not lowering the threshold for affordable housing it would limit the amount that would be delivered.*
- 2.21 Is the absence of any mention of Melling due to the lack of sites in the area and therefore the affordable housing policy is not applicable?
- 2.22 *Three Dragons Response – The assessment refers to the main settlement areas only. Melling, for the purposes of this assessment, is included in the Maghull area. Although there may not be identified sites in Melling at present,*

such sites could become available in the future and affordable housing policies should therefore cover the whole of Sefton.

KEY FINDINGS AND POLICY RECOMMENDATIONS OF FINAL ASSESSMENT

3.1 Although changes have been made to the draft Assessment as a result of comments made, essentially the key findings remain unchanged in the final assessment (available to view at www.sefton.gov.uk/affordablehousing). The key findings set out in the assessment are:

(i) Identification of housing sub-markets in Sefton

3.2 It is apparent that the local variation in house prices has a significant impact on the viability of affordable housing in a particular scheme. A broad analysis of house prices in Sefton using HM Land Registry data was undertaken and identified seven viability sub markets -

- Prime Sefton (broadly Birkdale, Ainsdale and Blundellsands)
- Formby
- Crosby, Hightown and Rural Hinterland
- Maghull and Aintree
- Southport
- Litherland, Orrell and Netherton
- Bootle and Seaforth

3.3 These different sub-markets have significant differences in the residual value able to cross-subsidise affordable housing. For example, a housing scheme in Prime Sefton with 30% affordable housing, at 40 dwellings per hectare (dph), will generate nearly £3 million residual value per hectare. The same scheme in Bootle will have costs of almost £0.5 million per hectare greater than its revenue (i.e. will have a negative residual value). On this basis, the study advises that a single affordable housing target for the Borough would be a very difficult policy position to defend.

(ii) Testing the viability of a range of housing developments to deliver affordable housing

3.4 A number of development models were tested, using a range of size, house types and densities. These examples were chosen to reflect the range of sites that have been and are currently or likely to be available for development in Sefton. This testing showed that higher density development (over 80dph) looks marginal even without an affordable housing element in locations such as Bootle, Seaforth, Litherland and Orrell. However, in higher value areas, affordable housing contributions on higher density schemes should be viable.

3.5 The introduction of external grant makes a significant difference in the mid to lower sub markets, although in the weakest sub-market areas grants may not be enough to 'rescue' schemes seeking an affordable housing element.

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- 3.6 The analysis also shows that residual values are very sensitive to changes in house prices, both in the short and long term, and that additional costs, such as remediation works or the Code for Sustainable Homes can have significant impacts on scheme viability, most clearly in the lower value sub-markets. Viability is also highly sensitive to the relationship between existing (or, where relevant, alternative) use value. In this regard, affordable housing will often be viable on sites, for example, in back or garden use. However, small-scale redevelopment and conversion schemes (typically under 5 units) 'will be significantly challenging on viability grounds'.
- 3.7 The analysis of Sefton's supply of sites (based on extant unimplemented planning consents and the five-year land supply) suggests that smaller sites (less than 15 units) make a significant contribution (i.e. about 30%) to housing supply. Given this, Sefton's current policy approach (i.e. applying affordable housing requirements to sites 15 dwellings or more) is likely to 'miss' a significant opportunity to provide affordable housing in some parts of the Borough. From a housing management perspective the study did not find any, in principle, objections to the on-site provision of affordable housing on small sites, although a financial payment for off-site approach could be considered in certain circumstances.

(iii) Conclusions and Policy Recommendations

- 3.8 The report recommends that Sefton adopt the following key affordable housing policy positions through its Local Development Framework:
- Based on strict viability approach apply a dual target broadly splitting the main urban area of Sefton, including Bootle and Seaforth and Litherland, Orrell and Urban Sefton (called 'lower value Sefton' in the report) versus the remaining higher value sub-markets. On this basis, Three Dragons propose a 30% target for the higher value areas and a 15% target for the lower value areas. Alternatively, the report suggests that the Council could consider a more location specific based approach, including a three-way policy target, to the level of affordable homes required in housing schemes. This would set a target of 30% for Prime Sefton (Ainsdale, Birkdale and Blundellsands) and Formby; 25% for Crosby, Maghull and Southport; and, 10% for Litherland, Orrell, Bootle and Seaforth.
 - That the Council should adopt a dual threshold approach for when the affordable housing target is implement, with a size threshold of 15 dwellings in the Pathfinder area and a size threshold of 5 dwellings elsewhere. Three Dragons think a size threshold below 5 dwellings would be difficult to justify in viability terms anywhere in the Borough.
 - Importantly if there is any doubt about viability on a particular site, Three Dragons note that it will be the responsibility of the developer to make a case that applying the Council's affordable housing requirement for their scheme makes the scheme not viable. (Members may be aware that this is currently the

approach that Sefton applies where the viability of a proposal to deliver affordable housing is in question).

- In cases where it may not be feasible or appropriate to provide affordable housing on-site, Three Dragons consider that a commuted sum payment (based on the equivalent amount which would be contributed by the developer/landowner were the affordable housing provided on site) could be sought. This would require the Council to have a clear strategy to ensure the money is spent effectively on delivering affordable housing elsewhere and in a timely manner.

Implications of Assessment and Key Conclusions

- 4.1 The final assessment will be a key piece of evidence for the Core Strategy and when taken together with the already completed Strategic Housing Market Assessment (and any updates to it that may be produced) will underpin our affordable housing policies. In short, the findings of the assessment will be evaluated in combination with evidence on housing need and will enable future policies to seek affordable housing in the areas where it is most needed and most viable.
- 4.2 At this point in time and ahead of the potential development of any new affordable housing policies through the emerging Core Strategy process, it is **not** proposed to make any immediate changes to the Council's current negotiating position with regard to affordable housing, as set out on the website at www.sefton.gov.uk/planningstudies
- 4.3 In this regard, Members will be aware that where there is a disagreement about the economic viability of a scheme, with regard to affordable housing, consistent with PP3 advice, Three Dragons, are normally instructed to undertake a site specific viability assessment (e.g. the former Leaf site at Virginia Street, Southport, is a case in point). This is in full recognition of the key point that the Council can only seek an affordable housing contribution (either in terms of on site provision or an off-site commuted sum in lieu) where it is economically viable to do so.
- 4.4 To conclude, this very important further study reaffirms the importance and prudence of the transparent viability approach we are currently adopting with regard to negotiating affordable housing in Sefton. Whilst providing a thorough overview of the viability of affordable housing at the Borough and sub-Borough level as a basis for affordable housing policy development, the study recognises that individual sites may vary from the norm. Accordingly, it further anticipates, notwithstanding any new affordable housing policy framework that may emerge through the Core Strategy process, that the current 'bespoke' viability approach will need to continue in the future on a site specific basis where economic viability is in question. This will ensure that the Council's position is protected at potential planning appeal and will also ensure that development viability is not prejudiced by unrealistic affordable housing

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requirements. In this regard, what we are doing closely accords with PPS3 advice on affordable housing.

Recommendations

That:

- (i) Planning Committee and Cabinet Member - Regeneration note the comments received during consultation process into the draft study, the responses to those comments, endorse the final Informed Assessment of the Economic Viability of Affordable Housing and recommend that Cabinet approves them to inform the emerging Core Strategy for Sefton;
- (ii) Subject to (iii) below, Planning Committee adopts the key findings of the study to inform the emerging Core Strategy process for Sefton; and
- (iii) Cabinet notes the comments received during consultation process, the responses to those comments and approves the final Informed Assessment of the Economic Viability of Affordable Housing to inform the emerging Core Strategy process for Sefton.

REPORT TO: Planning Committee
Cabinet

DATE: 18th August 2010,
2nd September 2010.

SUBJECT: The Building (Local Authority Charges) Regulations 2010

**WARDS
AFFECTED:** All Wards.

REPORT OF: A Wallis, Planning & Economic Regeneration Director

**CONTACT
OFFICER:** Frank Egerton
Telephone 0151 934 4619

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To advise the Committee of the enactment of the Building (Local Authority Charges) Regulations 2010, the need for Sefton Council to make a new Scheme of Building Regulation Charges and to seek Committee approval to introduce such a Scheme from 1st October 2010.

REASON WHY DECISION REQUIRED:

The Building (Local Authority Charges) Regulations 2010 requires the Council to make and implement a new Scheme of Building Regulation Charges by 1st October 2010. The aim of the Scheme is to ensure that, taking one financial year with another, the income derived from performing the chargeable Building Control functions, as near as possible, equates to the costs incurred in performing these functions i.e a break-even position.

RECOMMENDATION(S):

It is recommended that:

- i. Planning Committee:
 - a) Note the proposed Scheme of Charges under the new 2010 Building Regulations for operation from 1st October 2010.
 - b) Recommends Cabinet to approve the new Scheme of Charges from 1st October 2010.
- ii. **Cabinet agrees the new Scheme of Charges from 1st October 2010.**

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KEY DECISION: No
FORWARD PLAN: No
IMPLEMENTATION DATE: 1st October 2010

ALTERNATIVE OPTIONS: None

IMPLICATIONS:

Budget/Policy Framework: The setting of fees and charges falls outside the main budget setting process.

Financial: Modelling of the proposed new Scheme and Charges as outlined in this report has revealed that, subject to the in-house service retaining its market share and levels of economic activity remaining similar to that in 2009/10, an additional £10,000 of income could be generated in the current financial year, allowing for the new charging regime commencing from 1st October 2010. In 2011/12 the estimated additional income may rise by £20,000 in a full year.

It is still anticipated however, that the overall income levels achieved by the Building Control Section will continue to fall short of budget due to the current levels of economic activity despite the anticipated increase in income generated under the new charging regime.

<u>CAPITAL EXPENDITURE</u>	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				

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Funded from External Resources				
Does the External Funding have an expiry date? Y/N NO	When?			
How will the service be funded post expiry?	N/A			

Legal:

Risk Assessment:

Not to set a new Scheme of Charges would be in breach of the Building (Local Authority Charges) Regulations 2010.

The forecast additional income in the current financial year and the subsequent year is based upon a model that assumes similar workload, and construction activity to that in 2009/10.

Asset Management:

CONSULTATION UNDERTAKEN/VIEWS

FD476 – The Interim Head of Corporate Finance and ICT Strategy has been consulted and his comments have been incorporated within this report.

The Head of Corporate Legal Services has been consulted and there are no legal implications in this report.

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CORPORATE OBJECTIVE MONITORING:

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

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

Buildings and Buildings, England and Wales. SI 2010 No. 404. The Building (Local Authority Charges) Regulations 2010.

Department for Communities and Local Government – General Guidance on the Implementation of the Building (Local Authority Charges) Regulations 2010.

The Chartered Institute of Public Finance & Accountancy – local authority building control accounting – Guidance for England and Wales, Fully Revised Second Edition 2010.

ISBN 978 1 84508 226 0

1. BACKGROUND

- 1.1 In 1998 responsibility for setting Building Regulation Charges was devolved to the Council with the aim of ensuring that over any three year rolling period, income received covered the costs incurred.
- 1.2 In the years since, income has fluctuated significantly and whilst surpluses were generated in the early years, the recent economic down turn has had a negative impact, resulting in reduced income, such that income has been insufficient to cover costs, particularly in respect of household extensions and alterations.
- 1.3 In an attempt to address this imbalance, Sefton's Building Regulation charges were reviewed and increased in April 2010. Since this review, new legislation in the form of The Building (Local Authority Charges) Regulations 2010, has been enacted (by the previous Government) which re-emphasises the key principle of devolved charging, which is that the user should pay for the actual service they receive.

2. REQUIREMENTS OF THE 2010 REGULATIONS

- 2.1 The overriding objective of the 2010 Regulations is that the Council must ensure that, taking one financial year with another, the income derived from performing chargeable functions and providing chargeable advice as near as possible equates to the costs incurred by the authority in performing those functions i.e that a break-even position is achieved.
- 2.2 In practice, the Regulations require the Council to adopt a new Scheme of Building Regulations Charges for its Building Regulation function. This Scheme should seek to arrive at appropriate charging schedules, reflecting the typical work input of Building Control staff, and be reviewed annually with the aim of addressing any deficits or surpluses arising.
- 2.3 Statutory Guidance issued to accompany the Regulations recognises that inevitably there will be variations over time in the level of building activity and the fluctuating demands on the Building Control Service. As such it is suggested that Councils may wish to balance income and costs over a 'reasonable period' of between 3 & 5 years.

3. DETERMINING THE CHARGES

- 3.1 In determining Building Control's input into a project and therefore the charge, it is suggested in the Regulations that a range of factors may be taken into consideration, including the size and complexity of the project, the type of construction and whether detailed plans are to be provided. To reduce the complexity of administering the Scheme, however, local authorities are authorised to establish 'standard' charges for repetitive designs or typical building projects.

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4. RESPONSE TO REGULATIONS

4.1 In response to the Regulations, a detailed assessment of the work / time input required for a range of typical building projects has been undertaken to determine an average hourly charging rate which, for the current year is around £50.00 per hour. This assessment has been conducted in line with the 2010 accounting guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) to all Local Authorities.

5. THE REVISED SCHEME

5.1 It is proposed to adopt standardised charges for repetitive or typical work types, in particular for new build dwellings, extensions and alterations to domestic premises and for other works with an estimated value of less than £5,000.

5.2 A sample showing a few of the charge variations arising from the new assessments, are demonstrated in the table below.

	<u>Existing Full Plans</u> <u>Charge</u> <u>excl. VAT</u>	<u>Proposed Full</u> <u>Plans Charge</u> <u>excl. VAT</u>
Single storey extension of a dwelling floor area <10m ² ,	254.49	330.00
Single storey extension of a dwelling floor area between 10m ² and 40m ² ,	373.62	450.00
Any extension of a dwelling by the addition of rooms within the roof space incl. dormer.	483.40	420.00
Replacement of windows in a dwelling house.	100.00	80.00

5.3 Full details of the proposed 2010/2011 charges for repetitive or typical work are set out in Annex 1 to this report. These charges have been determined from an estimation of the hours required to assess/inspect the building work multiplied by the average hourly rate.

5.4 Whilst standardised charges will reduce the complexity of the Scheme, such an approach will not be possible for all building work activity, in particular large complex buildings. In such circumstances it will be necessary for each building project to be assessed individually.

5.5 Charges are usually subject to VAT. Work to provide facilities for disabled people will continue to remain exempt from Building Regulation charges under the new regulations.

6. FINANCIAL IMPACT OF THE PROPOSED SCHEME

- 6.1 Modelling of the proposed new Scheme and Charges has revealed that, subject to the in-house service retaining its market share and levels of economic activity remaining similar to that in 2009/10, an additional £20,000 of income could be generated in 2011/12, on a pro rata basis this would equate to £10,000 in the current financial year assuming approval is given to the new charging regime from 1st October 2010.
- 6.2 Despite the potential for an increase in income, it is apparent that the proposed charges may be insufficient in the current financial year to meet the objective of covering costs.
- 6.3 In line with the requirements of the Regulations and Statutory Guidance it is therefore proposed to conduct annual reviews, the first being due in April 2011 with the intention of reducing any forecast deficit and to work towards bringing chargeable work income and expenditure into balance within the timetable allowed.

7. OTHER PROCEDURAL MATTERS

- 7.1 The Regulations require the Council to publish a notice 7 days prior to the Scheme coming into effect advising that it has made a new Scheme. For clarity and accountability it will also be necessary, at the on-set of a building project, to advise applicants what the Building Regulation charge will be and the standard of service they can expect. This will ensure transparency of the revised charging mechanism.
- 7.2 The Regulations also make provision for supplementary charges to be levied where more work has been required than was initially envisaged, similar provisions allow for refunds where the input has been less than anticipated. Examples may include the need to; carry out additional inspections or appoint a specialist to assess some element of the works.
- 7.3 Whilst it is the responsibility of each local authority to publish a Scheme of Charges for its area, Building Control Managers across the Merseyside area have sought to develop a model that can be used across the sub-region while allowing flexibility to take account of local circumstances such as different hourly rates. Sefton has taken a lead in this respect, believing that such an approach will promote collaboration, reduce effort & duplication and assist understanding of the Scheme by those undertaking building work.

8. RECOMMENDATIONS

It is recommended that:

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- i. Planning Committee:
 - a) notes the proposed Scheme of Charges under the new 2010 Building Regulations for operation from 1st October 2010.
 - b) Recommends Cabinet to approve the new Scheme of Charges from 1st October 2010.
- ii. Cabinet agrees the new Scheme of Charges from 1st October 2010.

Schedule 1
Plan charge: New dwellings

	Number of house types (design)																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	240																			
2	246	336																		
3	252	342	432																	
4	258	348	438	528																
5	264	354	444	534	624															
6	270	360	450	540	630	720														
7	276	366	456	546	636	726	816													
8	282	372	462	552	642	732	822	912												
9	288	378	468	558	648	738	828	918	1008											
10	294	384	474	564	654	744	834	924	1014	1104										
11	300	390	480	570	660	750	840	930	1020	1110	1200									
12	306	396	486	576	666	756	846	936	1026	1116	1206	1296								
13	312	402	492	582	672	762	852	942	1032	1122	1212	1302	1392							
14	318	408	498	588	678	768	858	948	1038	1128	1218	1308	1398	1488						
15	324	414	504	594	684	774	864	954	1044	1134	1224	1314	1404	1494	1584					
16	330	420	510	600	690	780	870	960	1050	1140	1230	1320	1410	1500	1590	1680				
17	336	426	516	606	696	786	876	966	1056	1146	1236	1326	1416	1506	1596	1686	1776			
18	342	432	522	612	702	792	882	972	1062	1152	1242	1332	1422	1512	1602	1692	1782	1872		
19	348	438	528	618	708	798	888	978	1068	1158	1248	1338	1428	1518	1608	1698	1788	1878	1968	
20	354	444	534	624	714	804	894	984	1074	1164	1254	1344	1434	1524	1614	1704	1794	1884	1974	2064

N.B. The above rates may be subject to surcharges- see Surcharge. If the new dwellings have type approval (LANTAC)- plan charge= £180 +£6 per dwell

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Schedule 1 Site Inspection Charge – New dwellings

No. of Dwellings	Detached Dwelling houses £	Semi-Detached Dwelling houses £	Terraced/Town Houses or Flats £
1.	390.00	-	-
2.	648.00	540.00	-
3.	888.00	-	750.00
4.	1110.00	906.00	904.00
5.	1314.00	-	1040.00
6.	1500.00	1236.00	1158.00
7.	1668.00	-	1258.00
8.	1818.00	1530.00	1358.00
9.	1950.00	-	1458.00
10.	2064.00	1788.00	1558.00
11.	2178.00	-	1658.00
12.	2292.00	2010.00	1758.00
13.	2406.00	-	1858.00
14.	2520.00	2214.00	1958.00
15.	2634.00	-	2058.00
16.	2748.00	2418.00	2158.00
17.	2862.00	-	2258.00
18.	2976.00	2622.00	2358.00
19.	3090.00	-	2458.00
20.	3204.00	2826.00	2558.00

Schedule 2
Charge for repetitive or typical building work to dwelling houses

Schedule 2	Full Plans			Building Notice Charge
	Plan Charge	Inspection Charge	TOTAL Payable	
Category				
1. Single storey extension less than 10m ²	150.00	180.00	330.00	360.00
2. Single storey extension between 10 and 40m ²	180.00	270.00	450.00	480.00
3. Single storey extension between 40 and 100m ²	210.00	330.00	540.00	600.00
4. Two storey extension less than 40m ²	180.00	270.00	450.00	480.00
5. Two storey extension between 40 and 100m ²	210.00	360.00	570.00	630.00
6. First floor extension less than 40m ²	150.00	210.00	360.00	420.00
7. First floor extension 40 and 100m ²	180.00	270.00	450.00	510.00
8. Loft conversion no dormer and less than 40m ²	150.00	210.00	360.00	420.00
9. Loft conversion with dormer and less than 40m ²	180.00	240.00	420.00	480.00
10. Detached garage less than 60m ²	105.00	180.00	285.00	285.00
11. Attached garage less than 60m ²	120.00	180.00	300.00	300.00
12. Garage conversion less than 40m ²	105.00	180.00	285.00	285.00
13. Detached habitable building less than 40m ²	210.00	270.00	480.00	510.00
14. Detached habitable building between 40 and 100m ²	240.00	360.00	600.00	660.00

15. Basement extension less than 100m ²	180.00	270.00	450.00	510.00
16. Structural and internal alterations with a commercial value of less than £1000	100.00*	-	100.00	100.00
17. Structural and internal alterations with a commercial value of less than £2000	150.00*	-	150.00	150.00
18. Structural and internal alterations with a commercial value of less than £5000	200.00*	-	200.00	200.00
19. Replacement windows < 10 units	80.00*	-	80.00	80.00
20. Replacement windows > 10 units	150.00*	-	150.00	150.00
21. Installation of heat producing appliance	175.00*	-	175.00	175.00
22. Underpinning of existing foundations with a commercial value of less than £5000	250.00*	-	250.00	250.00
23. Renovation of an existing roof, wall or floor	150.00*	-	150.00	150.00
24. Replacement of existing roof covering	200.00*	-	200.00	200.00
25. Installation of cavity wall insulation by an un-licensed installer	150.00*	-	150.00	150.00
26. Installation of cavity wall insulation by a licenced installer	10.00	N/A	10.00	10.00
27. Electrical work carried out by a person <u>NOT</u> Part P registered (#see surcharges)	100.00*	-	100.00	100.00

Schedule 3

Charge for repetitive or typical building work to buildings other than dwelling houses

Schedule 3 Category	Full Plans			Building Notice Charge
	Plan Charge	Inspection Charge	TOTAL Payable	
28. Replacement windows up to 10 units	30	100	130	150.00
29. Replacement windows up to 50 units	40	175	215	240.00
30. Replacement windows over 50 units	50	215	265	290.00
31. New / replacement shop front	40	110	150	175.00
32. Renovation of a roof, wall or floor	75	100	175	225.00
33. Structural and general alterations < £2000	100	100	200	220.00
34. Structural and general alterations < £5000	125	150	275	300.00
35. Any work not described in Schedules 1, 2 or 3	Charge to be subject to project specific negotiation			

NB For any building work not found within Schedules 1, 2 or 3 – please consult the Building Control Team