

MEETING: CABINET  
DATE: Thursday 3rd March, 2011  
TIME: 10.00 am  
VENUE: Town Hall, Southport

**Member**

Councillor

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

COMMITTEE OFFICER: Steve Pearce  
Head of Committee and Member Services  
Telephone: 0151 934 2046  
Fax: 0151 934 2034  
E-mail: [steve.pearce@sefton.gov.uk](mailto:steve.pearce@sefton.gov.uk)

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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# AGENDA

Items marked with an \* involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	<b>Apologies for Absence</b>		
2.	<b>Declarations of Interest</b> Members 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.	<b>Minutes of Previous Meeting</b> Minutes of the meeting held on 17 February 2011		(Pages 7 - 20)
4.	<b>Charging for Non-Residential Social Care Services</b> Report of the Adult Social Care Director to follow	All Wards;	
5.	<b>Treasury Management Policy and Strategy 2011/12</b> Report of the Chief Executive and Section 151 Officer	All Wards;	(Pages 21 - 56)
6.	<b>The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2011/12</b> Report of the Chief Executive and Section 151 Officer	All Wards;	(Pages 57 - 68)
* 7.	<b>Capital Programme</b> Joint report of the Interim Head of Corporate Finance and ICT Strategy and the Strategic Directors – Children, Schools and Families; Communities; and Social Care and Wellbeing	All Wards;	(Pages 69 - 94)
8.	<b>Local Government Act 2003 - Chief Financial Officer's Requirements</b> Report of the Chief Executive and Section 151 Officer to follow	All Wards;	

- |   |   |  |                   |
|---|---|--|-------------------|
| * | <p><b>9. Transformation Programme and Final Revenue Budget Options 2011/12</b><br/>Report of the Chief Executive to follow</p>  | All Wards;   |                   |
|   | <p><b>10. Council Tax Recommendation 2011/12</b><br/>Report of the Chief Executive and Section 151 Officer</p>  | All Wards;   | (Pages 95 - 106)  |
| * | <p><b>11. Thornton to Switch Island Link - Progress Update, Revised Project Management Arrangements, Scheme Programme and Cost Profile</b><br/>Report of the Planning and Economic Development Director</p> | Manor; Molyneux; Netherton and Orrell; Park; St. Oswald; Sudell; | (Pages 107 - 120) |
| * | <p><b>12. Merseyside Local Transport Plan Preferred Strategy and Outline Sefton Implementation Programme</b><br/>Report of the Planning and Economic Development Director</p>                               | All Wards;   | (Pages 121 - 132) |
|   | <p><b>13. Planning Fees and Charges 2011/12</b><br/>Report of the Planning and Economic Development Director</p>  | All Wards;   | (Pages 133 - 148) |
|   | <p><b>14. Empty Homes and the Core Strategy</b><br/>Joint report of the Neighbourhoods and Investment Programmes Director and Planning and Economic Development Director</p>                                | All Wards;   | (Pages 149 - 160) |
|   | <p><b>15. Proposed Amendment to the Overarching Development Agreement with Keepmoat Limited in respect to land at Pine Grove</b><br/>Report of the Neighbourhoods and Investment Programmes Director</p>    | Derby;   | (Pages 161 - 164) |
|   | <p><b>16. Modernising Democratic Services</b><br/>Report of the Assistant Chief Executive to follow</p>   | All Wards;   |                   |

**17. Cabinet Member Reports**

- a) **Cabinet Member - Children's Services** (Pages 165 - 166)
- b) **Cabinet Member - Communities** (Pages 167 - 174)
- c) **Cabinet Member - Corporate Services** (Pages 175 - 180)
- d) **Cabinet Member - Environmental** (Pages 181 - 182)
- e) **Cabinet Member - Health and Social Care** (Pages 183 - 186)
- f) **Cabinet Member - Leisure and Tourism** (Pages 187 - 190)
- g) **Cabinet Member - Performance and Governance** (Pages 191 - 192)
- h) **Cabinet Member - Regeneration** (Pages 193 - 194)
- i) **Cabinet Member - Technical Services** (Pages 195 - 198)

**18. Selection of Deputy Chair 2011/12**

All Wards;

Report of the Assistant Chief Executive to follow

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**THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY, 1 MARCH 2011. MINUTE NOS 214 AND 225 ARE NOT SUBJECT TO "CALL-IN".**

## **CABINET**

### **MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 17TH FEBRUARY, 2011**

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

**ALSO PRESENT:** Councillors Byrom and Ibbs.

#### **206. APOLOGIES FOR ABSENCE**

No apologies for absence were received.

#### **207. URGENT BUSINESS**

The Chair reported that he had agreed that the Cabinet would consider the report relating to the terms and conditions for Council employees (Minute No. 229) as an urgent item, in view of the need to achieve the agreed budget savings in 2011/12.

#### **208. DECLARATIONS OF INTEREST**

The following declarations of interest were received:

<b>Officer</b>	<b>Minute No.</b>	<b>Reason</b>	<b>Action</b>
Steve Pearce - Head of Committee and Member Services	215 – Modernising Democratic Services	Personal – He may be affected by the issues referred to in the report.	Stayed in the room during consideration of the item

#### **209. MINUTES OF PREVIOUS MEETING**

**RESOLVED:**

That the Minutes of the Cabinet Meeting held on 27 January 2011 be confirmed as a correct record.

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## 210. TRANSFORMATION PROGRAMME AND FURTHER OPTIONS

In accordance with Rule 27 of the Council and Committee Procedure Rules, the Cabinet considered a petition signed by 25 residents objecting to the proposed closure of seven youth clubs and a second petition signed by 40 residents objecting to the closure of Crosby Youth Club. Mr. J. Wilson and Ms J. Edgar, the representatives of the petitioners, addressed the Cabinet in support of the petitions and Mr. J. Allan, Branch Officer of Unison, also addressed the Cabinet objecting to the closure of the youth centres.

Further to Minute No. 183 of the meeting held on 27 January 2011, the Cabinet then considered the report of the Chief Executive which provided an update on the previously approved savings and budget reviews undertaken as part of the Transformation Programme. The report also set out the next stage of the budget setting process prior to the final decisions to be taken by the Council on 3 March 2011.

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

RESOLVED: That

- (1) the representations from the two petitioners be considered as part of the budget process at the Council meeting to be held on 3 March 2011;
- (2) the progress to date on the Transformation Programme be noted;
- (3) the initial stage of the Learning and Development review be endorsed and the Council be recommended to give approval to officers being mandated to commence the consultation process with employees and Trade Unions with a view to realising the reduction in costs identified, including the issue of relevant statutory and contractual notifications;
- (4) the Terms of Reference for the Children's Centres Strategic Review as outlined in Appendix A of the report and the associated timescales be approved;
- (5) the Council be recommended to approve the proposals relating to Leisure Centres in Appendix B of the report and to mandate officers to continue the consultation process with employees and Trade Unions with a view to realising the reduction in costs identified including the issue of relevant statutory and contractual notifications;
- (6) approval be given to the appropriation of the Earmarked Reserves and the Insurance Fund surplus totalling £12m as detailed in paragraph 7 and Appendix C of the report, subject to officers clarifying that monies from Area Committees and the Environmental



and Technical Services Department identified in Appendix C can be fully appropriated. This funding to be utilised to fund redundancy costs and any delay in implementing approved savings; and

- (7) officers be authorised to prepare for implementation immediately, pending final decisions of Council.

## **211. CHARGING FOR NON-RESIDENTIAL SOCIAL CARE SERVICES**

Further to Minute No. 61 of the meeting of the Cabinet Member - Health and Social Care held on 16 February 2011, the Cabinet considered the report of the Adult Social Care Director on the review of the Council's charging policy for non-residential social care services which had been undertaken in order to make substantial efficiencies as part of the Transformation Programme.

The report also provided a summary of the responses to the proposals following a consultation exercise held with service users who receive home care services and/or attend day centres .

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

RESOLVED That

- (1) in principle, all service users who have in excess of £23,250 (current threshold) in capital or those who refuse to divulge their financial details be charged a maximum amount, to be determined, towards the actual cost of their day centre place and other care services provided by the Council;
- (2) the percentage of disposable income charged against as part of the financial assessment be increased from 65% to an amount to be determined;
- (3) in respect of (1) and (2) above, a further report be submitted to a Special Meeting of the Cabinet Member - Health and Social Care and the Cabinet at its meeting to be held on 3 March 2011 to:
  - (i) agree the maximum amount to be charged for day centre placements and other care services provided by the Council;
  - (ii) agree the increase in the percentage of disposable income from 65%; and
  - (iii) consider the financial implications of (i) and (ii) above with regard to the budget target saving of £650,000;

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- (4) couples will only be offered two calculations either as a single person based on their own income, or as a couple based on their combined income;
- (5) the £5.00 per week transitional protection be removed;
- (6) service users be charged for their reserved day centre and reserved transport place whether or not they use either facility;
- (7) the highest rate of Attendance Allowance and the care component of Disability Living Allowance be taken into account as income for those service users who receive night-time services;
- (8) the amendments to the appeals process in relation to the revised charging policy be approved; and
- (9) 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 - Health and Social Care had been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet Member/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 savings targets contained within the report are a component in achieving the setting of the Council's balanced budget for 2011/12. The item was not included on the Forward Plan because of the timescales dictated by the Transformation Agenda to achieve significant budget savings across the Council.

## **212. LOCAL GOVERNMENT ACT 2003 - CHIEF FINANCIAL OFFICER REQUIREMENTS INTERIM REPORT**

The Cabinet considered the interim report of the Chief Executive and Section 151 officer on the issues to be addressed prior to the setting of the Budget and Council Tax 2011/12 to enable a final report to be submitted to the Cabinet and Council on 3 March 2011 providing an assessment of the robustness of the estimates, the adequacy of financial reserves and the longer term revenue and capital plans.

RESOLVED:

That the report be noted.

## **213. CREATION OF A SHADOW HEALTH AND WELLBEING BOARD FOR SEFTON**

The Cabinet considered the report of the Chief Executive on the proposed creation of a Shadow Health and Wellbeing Board to drive a collaborative approach to the commissioning of local NHS Services, social care and

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health improvement services in Sefton as part of the Health and Social Care Bill.

The Chair reported that the nominees of the three Political Group Leaders could be members of the Shadow Board.

RESOLVED: That

- (1) approval be given to the creation of a Shadow Health and Wellbeing Board from 1 March 2011 as set out in the report; and
- (2) a formal expression of interest be submitted to the Department of Health to join the network of early implementers of such Boards.

## **214. MEMBERS' ALLOWANCES**

Further to Minute No. 15 of the meeting of the Standards Committee held on 3 February 2011, the Cabinet considered the report of the Director of Corporate Services on proposals submitted by the Independent Remuneration Panel for a reduction in the 2011/12 Scheme of Members' Allowances.

RESOLVED:

That the following recommendations be submitted to the Council for consideration on 3 March 2011:

- (1) That the recommendations made by the Independent Remuneration Panel in paragraph 2.2 of the report be accepted.
- (2) That the changes be implemented with effect from 1 April 2011.
- (3) That the proposed Scheme of Members Allowances set out in Annex A of the report be accepted; and
- (4) That the Independent Remuneration Panel be asked to formally review the full Members' Allowances Scheme during 2011/12.

## **215. MODERNISING DEMOCRATIC SERVICES**

The Cabinet considered the report of the Assistant Chief Executive which provided details of proposed changes to the democratic processes, including the Programme of Meetings for 2011/12 in order to meet the savings agreed by the Council on 16 December 2010.

RESOLVED: That

- (1) the system of electronic decision-making for decisions delegated to Cabinet Members be implemented from the 2011/12 Municipal Year;

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- (2) the Council be recommended to give approval to the Scheme of Delegation for Cabinet Members being revised in the Council Constitution to allow all non-key decisions to be delegated to the Cabinet Members;
- (3) the Programme of Cabinet Meetings for 2011/12 set out in Appendix B of the report be approved;
- (4) the Council be recommended to give approval to the Programme of Meetings for the Council and Regulatory Committees; Overview and Scrutiny Committees; and Members' Briefings for the 2011/12 Municipal Year, as set out in Appendices C and D of the report; and
- (5) the Programme of Meetings for the Area Committees for the 2011/12 Municipal Year be referred to the Leaders Group for further review and subsequently submitted the next Cabinet meeting prior to consideration by the Council; and
- (6) the Cabinet Member meetings set out in paragraph 4.7 of the report be cancelled and the Council be recommended to approve the cancellation of the remainder of the meetings set out in the same paragraph.

## **216. REPRESENTATION ON OUTSIDE BODIES**

The Cabinet considered the report of the Assistant Chief Executive on a request submitted by Councillor Parry to change the nominations of her political group for representation on a number of Outside Bodies for the remainder of the current Municipal Year 2010/11.

RESOLVED: That

- (1) approval be given to the following changes to the Council's representation on Outside Bodies for the period up until 31 May 2011:

### Mersey Port Health Committee

Councillor Dorgan to replace Councillor Glover as a Member of the Committee

Councillor Ibbs to replace Councillor Pearson as the Substitute Member for Councillor Dorgan

### Sefton Council for Voluntary Services

Councillor Porter to replace Councillor Doran as the Council representative.

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## Sefton Cycling Forum

Councillor Jones to replace Councillor Pearson as the Council representative on the Forum.

## Standing Advisory Committee for Religious Education (SACRE)

Councillor Dutton to replace Councillor Doran as the Substitute Member for Councillor Cuthbertson; and

- (2) the proposed changes in the representation on the North West Sea Fisheries Committee and the North West Inshore Fisheries and Conservation Authority be referred to the Leaders' Group for consideration and subsequently submitted to the next meeting of the Cabinet.

### **217. SELECTION OF THE DEPUTY MAYOR FOR 2011/12**

The Cabinet considered the report of the Assistant Chief Executive which provided details of the Selection Procedure previously agreed for the selection of the Deputy Mayor and sought the nomination of the Deputy Mayor for the Municipal Year 2011/12.

Under the present political management framework, the nomination of the Deputy Mayor Elect was a matter on which the Cabinet should make a recommendation to the Council.

RESOLVED: That

- (1) it be noted that Councillor P. Cummins stands nominated as Mayor Elect for 2011/12; and
- (2) the Conservative Group nomination for the post of Deputy Mayor for 2011/12 be referred to the Mayoral Working Group for consideration and subsequently submitted to the next meeting of the Cabinet.

### **218. PRIMARY CAPITAL PROGRAMME - ADDITIONAL WORKS**

Further to Minute No. 78 of the meeting of the Cabinet Member - Children's Services held on 18 January 2011, the Cabinet considered the report of the Strategic Director - Children, Schools and Families seeking approval to the second phase development scheme at Aintree Davenhill Primary school up to the tender stage, which would be funded from the Primary Capital Programme Allocation for 2010/11.

RESOLVED:

That the scheme be included in the Children, Schools and Families Capital Programme for 2010/11.

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## **219. AIMING HIGH FOR DISABLED CHILDREN - ADDITIONAL SCHEMES**

Further to Minute No. 85 of the meeting of the Cabinet Member - Children's Services held on 8 February 2011, 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 Aiming High for Disabled Children Capital Allocation for 2010/11.

RESOLVED:

That the scheme be included in the Children, Schools and Families Capital Programme for 2010/11.

## **220. A REVIEW OF THE EVIDENCE SUPPORTING THE CORE STRATEGY OPTIONS**

Further to Minute No. 112 of the meeting held on 30 September 2010 and Minute No. 145 of the meeting of the Planning Committee held on 9 February 2011, the Cabinet considered the report of the Planning and Economic Development Director on the findings of the Green Belt study and how this would inform the Options stage of the Core Strategy.

The report provided an update on a review of the Strategic Housing Land Availability Assessment which would determine how much land was available in the urban areas and would need to be subject of consultation with stakeholders including the Sefton, Knowsley and West Lancashire Housing Market Partnership.

The report also referred to the future need to update Sefton's retail evidence in order to ensure that the Council had robust evidence when the Core Strategy was independently examined in early 2012.

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

RESOLVED: That

- (1) it be noted that consultation has taken place with the Area Committees and some of the parishes on the Green Belt Study since the previous report was deferred by the Cabinet on 30 September 2010;
- (2) the Green Belt Study and Strategic Housing Land Availability Assessment update be approved for consultation purposes; and
- (3) the need for a future review of the retail evidence that will support the Core Strategy be noted, the costs of which would be contained within the Department's consultancy budget.

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## **221. CORE STRATEGY FOR SEFTON - OPTIONS PAPER**

Further to Minute No. 146 of the meeting of the Planning Committee held on 9 February 2011, the Cabinet considered the report of the Planning and Economic Development Director seeking approval to the Core Strategy Options Paper for the purposes of consultation.

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

RESOLVED: That

- (1) the Core Strategy Options Paper be approved for consultation; and
- (2) the Planning and Economic Development Director be given delegated authority to make minor editorial changes to the draft Options Paper, including making sure that it is in Plain English, and other presentational changes.

## **222. JOINT WASTE DEVELOPMENT PLAN: CONSULTATION ON PREFERRED OPTIONS 2 - NEW SITES CONSULTATION**

Further to Minute No. 194 of the meeting held on 27 January 2011, the Cabinet considered the report of the Planning and Economic Development Director seeking the reaffirmation of the Council's commitment to identify a replacement site in accordance with its agreement to support the adoption of the joint Merseyside Waste Development Plan Document.

RESOLVED: That

- (1) the Cabinet reaffirms the Council's commitment to identify a replacement site in accordance with its agreement to support the adoption of the joint Merseyside Waste Development Plan Document; and
- (2) it be noted that all Merseyside Waste will be exported outside the Merseyside Sub-region in due course.

## **223. PRIVATE SECTOR HOUSING ENFORCEMENT FEES AND CHARGES**

Further to Minute No. 76 of the meeting of the Cabinet Member - Regeneration held on the 16 February 2011, the Cabinet considered the report on the proposed set of charges to be adopted for taking Private Sector Housing Enforcement action under the provision of the Housing Act 2004.

RESOLVED:

That approval be given to the scale of Charges under the Housing Act 2004 as set out in Appendix A of the report.

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## **224. MERSEYSIDE SUB - REGIONAL CHOICE BASED LETTINGS SCHEME - ALLOCATIONS POLICY**

Further to Minute No. 77 of the meeting of the Cabinet Member - Regeneration held on 16 February 2011, the Cabinet considered the report of the Neighbourhoods and Investment Programmes Director seeking approval to a new Choice Based Allocation Policy to be adopted by the five Merseyside Local Authorities participating in the sub-regional Scheme following a recent consultation exercise.

The report also provided an update on the progress towards the introduction of the sub-regional Choice Based Lettings Scheme.

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

RESOLVED: That

- (1) the revised Choice Based Allocations Policy be approved; and
- (2) the progress toward the introduction of the sub-regional Choice Based Lettings Scheme be noted.

## **225. ADDITIONAL GRANT FUNDING FROM HOMES AND COMMUNITIES AGENCY TO FUND ACQUISITIONS IN THE KLONDYKE AREA OF BOOTLE**

Further to Minute No. 4 of the meeting of the Cabinet Urgent Business Committee held on 13 January 2011, the Cabinet considered the report of the Neighbourhoods and Investment Programmes Director which provided details of a further offer from the Homes and Communities Agency to provide funding of £849,000 to the Council in the current financial year towards further acquisitions of properties in the Klondyke area of Bootle which are intended for demolition (Phase 2 and 3).

RESOLVED: That

- (1) the offer of £849,000 of grant funding made by the Homes and Communities Agency to fund further acquisitions in the Klondyke area of Bootle be accepted;
- (2) the Acting Head of Corporate Legal Service be authorised to enter into a Grant Agreement with the Homes and Communities Agency;
- (3) in view of the timescales for utilising this funding, the Neighbourhoods and Investment Programmes Director be granted delegated authority to approve the individual additional acquisitions to be funded, up to this amount; and



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- (4) it be noted that the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) had given her consent under Rule 17 of the Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call-in" because of the need to complete the legal agreement with the Homes and Communities Agency; certain acquisitions of properties and claim the resources before the deadline of 15 March 2011

## **226. ROK BUILDING LTD (IN ADMINISTRATION)**

Further to Minute No. 200 of the meeting held on 27 January 2011, the Cabinet considered the report and supplementary note of the Environmental and Technical Services Director on the latest position relating to the contractors, ROK Building Limited based in Rochdale, who had been placed in administration and the options available for the completion of the works at Southport Indoor Market, Lander Road Primary School and Kew Woods Primary School and the outstanding works at St. Peter's House.

RESOLVED: That

- (1) the Acting Head of Corporate Legal Services be authorised to terminate the existing contract with ROK Building Ltd and enter into a formal contract with Lockwoods Construction (Liverpool) Limited of Bootle, in the sum of £2,228,588 for the completion of the outstanding works at Southport Market;
- (2) the Acting Head of Corporate Legal Services be authorised to terminate the existing contract with ROK Building Ltd and enter into a formal contract with D. Henderson and Son of Southport, in the sum of £548,591 for the completion of the outstanding works at Kew Woods CP School; and
- 3) subject to Capita Symonds establishing costs to complete the outstanding works at Lander Road Primary School which are reasonable and where the total amount which is unrecoverable does not exceed £26,000, the Acting Head of Corporate Legal Services be authorised to terminate the existing contract with ROK Building Ltd and enter into a formal contract with Eaga Contract Services Limited of Prescot, in the maximum sum of £768,745, or alternatively, in the event that this is not achievable, the Environmental and Technical Services director be authorised to invite new competitive tenders.

## **227. LEISURE AND TOURISM DEPARTMENT - FEES AND CHARGES 2011/12**

Further to Minute No. 59 of the meeting of the Cabinet Member - Leisure and Tourism held on 9 February 2011, the Cabinet considered the report and supplementary note of the Leisure and Tourism Director on the

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proposed fees and charges for services to be delivered by the Leisure and Tourism Department in 2011/12.

RESOLVED:

That the fees and charges for 2011/12 as set out in Annex A of the report and the supplementary note be approved.

## **228. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED: That

- (1) 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 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the press and public; and
- (2) the representatives of the Trade Unions be permitted to remain in the meeting during the consideration of Minute No. 229.

## **229. BUDGET SAVINGS - TERMS AND CONDITIONS OF EMPLOYMENT**

Further to Minute No. 69(4) of the Council meeting held on 27 January 2011, the Cabinet considered the report of the Director of Corporate Services on the negotiations which had taken place with Trade Unions on the terms and conditions of employment for Council employees.

The Director of Corporate Services and Mr. G. Williams, Branch Secretary of Unison, commented on the current position on the proposals set out in the report.

RESOLVED: That

- (1) the verbal update given by the Director of Corporate Services, relative to the current position of the trade unions concerning the proposals set out in Section B of the report be noted;
- (2) the proposals set out in Section B of the report be endorsed as the preferred option;
- (3) consultations on the preferred option continue, including communication with potentially affected employees. The object of such consultation being to endeavour to reach an agreement; and
- (4) in the absence of an agreement, the Director of Corporate Services be given delegated authority to take the necessary action to

achieve the implementation of the proposals set out in Section B of the report, subject to consultation with the Party Leaders.

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# Agenda Item 5

**REPORT TO:** Cabinet  
Council

**DATE:** 3 March 2011

**SUBJECT:** Treasury Management Policy & Strategy 2011/12

**WARDS AFFECTED:** All

**REPORT OF:** Margaret Carney  
Chief Executive & Section 151 Officer  
0151 934 2057

**CONTACT OFFICER:** Jeff Kenah  
Corporate Finance Manager  
0151 934 4104

**EXEMPT/CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To advise Cabinet of the proposed procedures and strategy to be adopted in undertaking the Treasury Management Function in 2011/2012.

**REASON WHY DECISION REQUIRED:**

To enable the Council to effectively manage its Treasury activities.

**RECOMMENDATION(S):**

Cabinet is recommended to

- a) Agree the Treasury Management Policy Document for 2011/2012 (Annex A);
- b) Agree the Treasury Management Strategy Document for 2011/2012 (Annex B);
- c) Approve the amendment to Banking arrangements contained within the Financial Procedures Rules of the Constitution (Para 3);
- d) Agree the Money Laundering Policy Document (Para 4 and Annex C);
- e) Agree the basis to be used in the calculation of the Minimum Revenue Provision for Debt Repayment in 2011/2012 (Para 5);
- f) Refer the report to Council for approval.

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**KEY DECISION:** No, this report does not represent a key decision in itself but forms part of the delivery of the 2011/2012 Budget, which is a key decision for the Council.

**FORWARD PLAN:** No – see above.

**IMPLEMENTATION DATE:** With effect from 1 April 2011.

**ALTERNATIVE OPTIONS:**

The Cabinet could decide not to comply with the CIPFA Code of Practice on Treasury Management that recommends production of Treasury Management Policy and Strategy Documents. Non-compliance with the Code would significantly increase the risks associated with this activity and would not be complying with best practice.

**IMPLICATIONS:**

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

**Financial:** See above.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>	<b>2013/ 2014 £</b>	<b>2014/ 2015 £</b>
Gross Increase in Capital Expenditure	N/a	N/a	N/a	N/a
Funded by:	N/a	N/a	N/a	N/a
Sefton Capital Resources	N/a	N/a	N/a	N/a
Specific Capital Resources	N/a	N/a	N/a	N/a
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure	N/a	N/a	N/a	N/a
Funded by:	N/a	N/a	N/a	N/a
Sefton funded Resources	N/a	N/a	N/a	N/a
Funded from External Resources	N/a	N/a	N/a	N/a
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:** None.

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

**Asset Management:** None.

## CONSULTATION UNDERTAKEN/VIEWS

None.

## 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

Treasury Management in the Public Services – Code of Practice CIPFA 2001.  
The Prudential Code for Capital Finance in Local Authorities CIPFA 2003.

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## 1. Background

- 1.1. The Council has previously adopted CIPFA's revised 2001 Code of Practice on Treasury Management in the Public Services which recommends the production of annual Treasury Management Policy and Strategy Documents, and the revision to The Code in 2009 following the Icelandic bank collapse.
- 1.2. In addition, the Council has also adopted, and incorporated into both documents:
  - a) The requirements of the 2003 Prudential Code for Capital Finance in Local Authorities; and,
  - b) An Investment Strategy produced in line with guidance from the then Office of the Deputy Prime Minister concerning the investment of surplus funds. This sets out the manner in which the Council will manage its investments, giving priority to the security and liquidity of those investments.

## 2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
  - a) A Treasury Management Policy Document – which outlines the broad policies, objectives and approach to risk management of its treasury management activities;
  - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2011/2012; and
  - c) Suitable treasury management practices, setting out the manner in which the organisation will seek to achieve these policies and objectives, prescribing how it will manage and control those activities.

The content of the policy statement and the treasury management practices will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Codes key principles.

- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.
- 2.3. Economic conditions have been difficult since the onset of the credit crunch in August 2007. This caused all major economies to enter into recession caused by a reduction in lending as banks attempted to repair their balance sheets, with concerns being raised over the financial health of many institutions. The wider economic position has meant that a continuing review of the Treasury Management Policy and Strategy documents has been undertaken to identify whether any improvements can be made.



- 2.4. All investments are made in accordance with the Council's Investment Criteria. This takes account of market and risk conditions at the time the investment is made, with security being assessed over liquidity, and liquidity being assessed over return.
- 2.5. In view of the complex nature of Treasury Management, regular treasury update reports have not only be presented to Cabinet (who have the delegated responsibility), but also to Corporate Services Cabinet Member and the Audit and Governance Committee.

### **3. Financial Procedure Rules – Banking Arrangements**

- 3.1. The Treasury Management Policy Document at **Annex A** delegates certain responsibilities to the Head of Corporate Finance and Information Services, including all executive decisions on borrowing, investment or financing, in line with the Constitution of the Council.
- 3.2. The Constitution (Financial Procedure Rules – Banking Arrangements Para 8.2) currently provides the following:

“No overdraft shall be permitted save on the general account, a maximum overdraft for which shall be fixed from time to time by the Council following recommendations by the Head of Corporate Finance and Information Services.” In order to facilitate a “group” approach to the Council's bank account and related individual balances (a number of services provided by Sefton have bank accounts separate to the Council's main account), it is recommended that the paragraph be reworded as follows:

“On a day to day basis, no overdraft shall be permitted unless agreed by the Head of Corporate Finance and Information Systems. A maximum overdraft shall be fixed from time to time by the Council following recommendations by the Head of Corporate Finance and Information Services....”

### **4. Money Laundering Policy Document**

- 4.1. The Money Laundering Policy Document is attached at **Annex C** for approval, which outlines the approach the Council will adopt to comply with its legal obligations.

### **5. Minimum Revenue Provision (MRP) for Debt Repayment Policy Document**

- 5.1. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 introduced changes to the calculation of the MRP.
- 5.2. As a transitional arrangement for 2008/09, authorities were able to continue to calculate MRP as in previous years i.e. 4% of the underlying need to borrow for capital purposes, as measured at 31 March 2008. The Council's revenue budget for 2008/09 was constructed on this basis.

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- 5.3. To comply with the legislative changes, the Council has, from 2009/10, retained this calculation for borrowing supported through the Revenue Support Grant but for unsupported prudential borrowing, MRP will be calculated using the estimated life method. This links the charges to revenue more closely to the life of the asset. The Council's Revenue Budget for 2010/11 and 2011/12 has been constructed on this basis.
- 5.4. The change in legislation also allows councils to apply an MRP "Holiday" on large projects, the costs of which span a number of financial years. Rather than starting to charge MRP as the expenditure is incurred, the option is given to apply MRP only when the scheme becomes operational. The total level of MRP remains unchanged, only the timing of the charge is altered. This option is considered to be the most appropriate for use within Sefton.

## 6. Recommendations

Cabinet is recommended to:

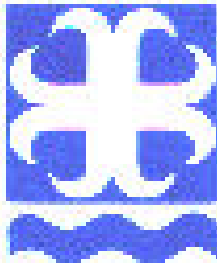
- a) Agree the Treasury Management Policy Document for 2011/2012 (**Annex A**);
- b) Agree the Treasury Management Strategy Document for 2011/2012 (**Annex B**);
- c) Approve the amendment to Banking Arrangements contained within the Financial procedures Rules of the Constitution (Para 3);
- d) Agree the Money Laundering Policy Document (Para 4 and **Annex C**);
- e) Agree the basis to be used in the calculation of the Minimum Revenue Provision for debt repayment in 2011/12 (Para 5);
- f) Refer the report to Council for approval.

SEFTON COUNCIL

TREASURY MANAGEMENT

POLICY

2011/2012



CORPORATE FINANCE AND INFORMATION SERVICES

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## 1. **Treasury Management Policy**

### 1.1. The Council defines Treasury Management as:

The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

### 1.2. The Council's Statement of Treasury Management Policy is:

- a) Effective Treasury Management is acknowledged as providing support towards the achievement of the Council's business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management;
- b) The successful identification, monitoring and control of risk is regarded as being the prime criteria by which the effectiveness of the Council's Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation.

### 1.3 A dedicated team of three officers carries out the day-to-day treasury management activities. Two of the current officers are qualified accountants, whilst the third is a qualified accounting technician. The Treasury Group Accountant has recently obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and which is tailored to the public sector.

### 1.3.1 Members should receive training in the Treasury Management function, in order to assist in the understanding of this relatively complex area. This will be addressed via the provision of regular reporting to Cabinet, Corporate Services Cabinet Member Meeting and the Audit and Governance Committee.

## 2. **Treasury Management Strategy**

### 2.1. The Annual Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Policy. The strategy for 2011/2012 is attached at **Annex B**.

## 3. **Delegated Powers**

### 3.1. The Head of Corporate Finance and Information Services, under the Council's Constitution, is given the following authority:

- a) All money in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the

# Agenda Item 5

Head of Corporate Finance and Information Services, the Officer designated for the purposes of Section 151 of the Local Government Act, 1972;

- b) All executive decisions on borrowing, investment or financing shall be delegated to the Head of Corporate Finance and Information Systems (or in his/her absence the Deputy Section 151 Officer) who shall be required to act in accordance with the Council's Treasury Policy, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

## 4. **Reporting Requirements/Responsibilities**

### 4.1. Council

Council will approve, prior to each financial year, the Treasury Management Policy and Strategy Documents, and will also receive a mid-year review, as well as receiving an annual outturn report on Treasury Management activity before 30 June following the end of the previous financial year, which reports actual treasury activity in the year.

### 4.2. Cabinet

Cabinet will:

- a) Consider, prior to each financial year, Treasury Management Policy and Strategy Documents and refer them to Council for approval;
- b) Implement and monitor these documents, approving any in-year amendments (at least on a quarterly basis) necessary to facilitate continued effective Treasury Management;
- c) Receive an annual outturn report on Treasury Management activity prior to the 30<sup>th</sup> June following each financial year; and
- d) Receive a quarterly update of the treasury management activity.

### 4.3. Audit and Governance Committee

Audit and Governance Committee will:

- a) Monitor these Documents on at least a quarterly basis necessary to facilitate continued effective Treasury Management;
- b) Receive an annual outturn report on Treasury Management activity prior to the 30 June following each financial year; and
- c) Will be responsible for ensuring effective scrutiny of the treasury management and policies.

### 4.4. Head of Corporate Finance and Information Systems

The Head of Corporate Services and Information Services will:

- a) Draft and submit to Cabinet and Council prior to each financial year, Treasury Management Policy and Strategy Documents;

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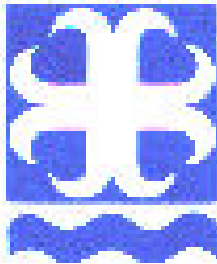
- b) Implement and monitor these Documents resubmitting any necessary in-year revisions/amendments (at least on a quarterly basis) to Cabinet for approval;
- c) Draft and submit an annual outturn report on Treasury Management activity to Council, Cabinet, and Audit & Governance by the 30 June following each financial year-end;
- d) Maintain suitable Treasury Management Practices (TMP), setting out the manner in which the Council will seek to achieve its objectives. The TMP's will also prescribe how the treasury activities will be managed and controlled;
- e) Be responsible for the execution and administration of treasury management decisions; and
- f) Act in accordance with the Council's policy statement and treasury management practices, and also in accordance with CIPFA's Standard of Professional Practice on Treasury Management.

SEFTON COUNCIL

TREASURY MANAGEMENT

STRATEGY

2011/2012



CORPORATE FINANCE AND INFORMATION SERVICES

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## SEFTON COUNCIL

### Treasury Management Strategy

#### 1. Introduction

- 1.1. The Treasury Management Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Treasury Management Policy.
- 1.2 The Strategy had been produced to incorporate the requirements of the CIPFA Code of Practice on Treasury Management and the 2003 Prudential Code for Capital Finance, and the revised Treasury Management in the Public Services code of Practice and Cross-Sectoral Guidance Notes (2009).

#### Economic Background

The economic background has been particularly turbulent over the last three years, and this has put treasury management within the authority under greater scrutiny.

Economic conditions have been difficult since the onset of the credit crunch in August 2007. GDP growth is likely to have peaked at 1.2% in quarter 2 of 2010. The outlook is for poor growth in 2011/12. The Consumer Price Index (CPI) has remained high during 2010, starting at 3.7% in April and then increasing to 4.0% in January 2011. Although this is above the Monetary Policy Committee's (MPC) target of 2%, the MPC predicts that inflation will fall back under target over the next two years. Sector, our Treasury Management Consultants, have suggested that an increase in the Bank of England base rate may occur in May 2011, however, such an increase is dependent upon the state of the economy.

The reduction in the base rate to 0.5% in March 2009 has caused investment income to be severely reduced in 2010/11, compared to the levels earned in, for example, 2008/09. Despite the potential for a small increase in Bank Rate later this year, it is expected to remain at a level significantly lower than experienced a few years ago. The budgeted investment returns for 2011/12 reflect this scenario.



## 2. Treasury Management Strategy 2011/2012

### 2.1. The Strategy for 2011/2012 covers:

- a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
- b) Prudential Indicators 2011/2012 to 2013/2014 (2.3);
- c) Interest Rates (2.4);
- d) Capital Borrowing (2.5);
- e) Debt Rescheduling opportunities (2.6);
- f) Investment Strategy (2.8).

### 2.2. Treasury Limits for 2011/2012

The Treasury Limits set by Council in respect of its borrowing activities are:

The overall or Affordable Borrowing Limit.	Maximum	£180.500m
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It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing Limit takes into account the Council's current debt, an assessment of external borrowing to finance the Capital Programme in 2011/2012, the need to finance capital expenditure previously met from internal funding, and cash flow requirements.

The amount of overall borrowing, which maybe outstanding by way of short-term borrowing.	Maximum	£15m
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The Short – Term Borrowing limit takes into account an assessment of any potential short-term financing the Council may need (e.g. bank overdraft, short-term funding in anticipation of grant receipts). Short-Term Borrowing is defined as being for less than 12 months.

The proportion of external borrowing which is subject to variable rate interest.	Maximum	33%
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The limit on variable rate borrowing gives the Council flexibility to finance expenditure at favourable market rates, but ensures Council exposure to variable interest commitments is within prudent levels.

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## 2.3. Prudential Indicators

The following prudential indicators are considered relevant by CIPFA for setting an integrated Treasury Management Strategy.

### 2.5.1. Interest Rate Exposure Indicators

Fixed rate borrowing and investment has the benefit of reducing the uncertainty surrounding future interest rate changes. However, in looking to improve performance best practice recommends retaining a degree of flexibility through the use of variable rates on at least part of the Treasury Management Activity.

To ensure that the risk associated with improved performance which may be achieved by using variable loans and investments is minimised, it is necessary to establish indicators to control the position. The control is based on setting an upper limit for both fixed and variable interest rate exposures expressed as a percentage of the Council's net outstanding principal sum. The following indicators are to be used:

<b>Upper Limit for Interest Rate Exposures</b>	<b>2011/12 %</b>	<b>2012/13 %</b>	<b>2013/14 %</b>
Upper limit for fixed interest rate exposure expressed as a percentage of net outstanding principal sum	250	250	250
Upper limit for variable interest rate exposure expressed as a percentage of net outstanding principal sum	-50	-50	-50

This prudential indicator has been revised this year due to a number of breaches noted in 2010/11. This revision is because in order to protect the security and liquidity of the Council's funds more cash deposits are being placed overnight rather than long term.

### 2.5.2. Non Specified Investment Indicator

The Investment Strategy (Para 2.7.4) allows non-specified investments to be made using funds managed by the Council. The indicator is designed to control the level of such non-specified investments when compared to the overall investments of the Council.

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<b>Upper Limit on Non-Specified Investments</b>	<b>2011/12 %</b>	<b>2012/13 %</b>	<b>2013/14 %</b>
Upper limit on the value of non-specified investments as a percentage of total investments	40	40	40

## 2.5.3. Debt Maturity Indicators

The indicators are designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of high interest rates. The control is based on the production of a debt maturity profile, which measures the amount of borrowing that is fixed rate that will mature in each period as a percentage of total projected borrowing that is fixed rate. Any borrowing decision and related maturity dates will be taken by the Council mindful of maturity profile limits set out below to ensure large concentrations of debt do not fall due for repayment in any one future financial year. The profile reflects borrowing advice provided by Sector, the Council's Treasury Management Advisors, and has been agreed with them.

<b>Maturity Structure of Fixed Rate Borrowing During 2011/2012</b>	<b>Upper Limit %</b>	<b>Lower Limit %</b>
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

### Policy on the use of external service providers

The Council employs SECTOR as its treasury consultants. The Council recognises that responsibility for treasury management decisions rests with the Council at all times. It also recognises that there is value in such arrangements in order to acquire access to specialist skills and knowledge. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly documented, and subjected to regular review. The agreement with Sector is up for renewal at the end of March 2011. A quotation exercise will be undertaken in order to test the market at that point.

It should be noted that SECTOR, although regulated by the FSA, are unregulated in terms of the investment advice that they give to local authorities, because as an organisation it does not give advice in respect of *investments*, which is covered by the FSA, but it gives advice in respect of

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*deposits*. Under FSA regulations local authority cash balances placed with institutions are classed as deposits.

## 2.4. Interest Rates

2.5.4. Sector Treasury Services Ltd (“Sector”) to provide regular forecasts of interest rates to assist decisions in respect of:

- a) Capital Borrowings (2.5);
- b) Debt Rescheduling opportunities, (2.6); and
- c) Investments strategy (2.8).

2.4.2. **Annex B2** gives details of Sector’s central view regarding Public Works Loan Board (PWLB) interest rate forecasts.

2.4.3. The advice from Sector takes into account financial activity both in the UK and world economies and the impact of major national and international events. It is essential that borrowing and investment decisions are taken mindful of independent forecasts as to interest rate movements. The Council will continue to take account of the advice of Sector.

## 2.5. Capital Borrowing

2.5.5. The Council’s debt portfolio as at 31<sup>st</sup> January 2011 is as set out below:

<b>Debt Portfolio</b>	
Average Interest Rate	4.66%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	131.542
Other Borrowing	0.024
Other Long Term Liabilities	<u>6.783</u>
Total Debt	138.349

The category of other borrowing (£0.024m) represents counter bonds and mortgages.

Other long term liabilities (£6.783m) represent transferred debt from the Merseyside Residuary Body.

2.5.6. The Council will raise its required finance, following advice from Sector, from the Public Works Loan Board (PWLB).

The Council’s borrowing requirement for 2011/2012 is as follows:

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<b>Borrowing Requirement</b>	<b>Estimate £m</b>
New Borrowing	19.611
Replacement Borrowing	<u>0.000</u>
Total Borrowing	19.611

The new borrowing represents the unsupported borrowing as required by the capital programme in 2011/12. As noted in 2.5.4 below the Council is internally borrowed, and may take additional borrowing if required in order to reverse this position.

2.5.3. The Sector forecast for PWLB interest rates (as set out at **Annex B2**). This would suggest that the following strategy is followed:

- The cheapest borrowing will be internal borrowing, which involves running down cash balances and foregoing interest earned at historically low rates. Consideration will always be given to long term borrowing rates and the possibility of rates rising, which could mean borrowing at future higher rates which could erode the advantages of internal borrowing
- Temporary borrowing from money markets or other local authorities
- PWLB rates on loans of less than ten years duration are expected to be substantially lower than longer term PWLB rates offering a range of options for new borrowing which will spread debt maturities away from a concentration in long dated debt.

2.5.4. The authority borrows from the PWLB in order to fund part of the capital programme, the maximum that we can borrow being the CFR. Current PWLB borrowing is £131.542m, as against a CFR of £182.4m for 2011/12. This position is classed as being internally borrowed which does have the advantage of reducing exposure to interest rate and credit risk. To be internally borrowed is a conscious decision to use cash balances to fund capital expenditure, rather than borrow from the PWLB. This position can be reversed at any time by borrowing from the PWLB.

2.5.5. 2011/12 is expected to experience a continuation of a low bank rate. Hence, internal borrowing is a sensible option where interest rates on deposits are much lower than the current PWLB borrowing rates.

2.5.6. However, as noted in 2.5.3, savings have to be weighed against the potential for incurring long term extra costs by delaying unavoidable new borrowing until later years when PWLB rates are forecast to be higher.

2.5.7. Against this background, caution will be adopted in undertaking borrowing in 2011/2012. The Head of Corporate Finance and Information Systems will monitor the interest rate market and following advice from Sector, adopt a pragmatic approach to changing circumstances during the year.

2.5.8. External v Internal Borrowing

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2.5.9. The Council currently has a difference between gross debt and net debt (gross debt net of cash balances) of £50m. The general aim of the strategy would be to reduce the difference between the two in order to reduce the credit risk of holding investments.

2.5.10. As noted in 2.5.4 above the Council is internally borrowed. If this continues this will reduce the difference between gross and net debt. Early repayment of debt is, however, not a realistic option since the introduction by the PWLB of significantly lower rates on 1 November 2007, which has now been compounded since October 2010 by a considerable further widening of the difference between new borrowing and repayment has meant that large premiums would be incurred.

## 2.6. Debt Rescheduling Opportunities

2.6.1. As noted in 2.5.10 above, restructuring with the PWLB is now much less attractive than before due to the potentially large premiums that would be incurred.

As short term borrowing rates are likely to be cheaper than long term rates, saving could be made by changing to short term debt. However, this must be considered in the light of the likely financing costs once these loans mature. It is likely that this situation will be reviewed early in 2011/12 to see if there is any merit in following a restructuring of debt.

## 2.7 Borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely to profit from the investment income made on the extra sums borrowed. However should a decision to borrow in advance of need will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether to borrow in advance of need the Council will;

- Ensure that there is a direct link between the capital programme and maturity profile of the existing debt portfolio which supports the need to borrow in advance of need;
- Ensure that the revenue implications of such borrowing have been considered in respect of future plans and budgets; and
- Consider the merits of other forms of funding.

## 2.8. Investment Strategy

2.8.1. The Council manages the investment of its surplus funds internally, and operates in accordance with the Guidance on Local Government Investments issued by ODPM in March 2004 and the 2009 CIPFA Treasury Management in Public Services and Cross Sectoral Guidance Notes.

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2.8.2 The Council's investment priorities are, in order of priority:

- The security of capital
- The liquidity of capital

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

2.8.3. Under the system of guidance investments are classified as Specified or Non Specified.

Specified Investments are those which satisfy the following conditions:

- a) The investment and all related transactions are in sterling;
- b) The investment is short-term i.e. less than 12 months;
- c) The investment does not involve the acquisition of share or loan capital;  
Either:
  - i) The investment is made with the UK Government or local authority;  
OR
  - ii) The investment is made with a body or scheme, which has been awarded a high credit rating by a credit rating agency.

Non Specified Investments are those that do not meet the above definition.

2.8.4 The Council's investment portfolio as at 31<sup>st</sup> January 2011 is set out below:

<b>Investments Portfolio</b>	<b>£m</b>
Specified Investments	73.610
Non-Specified Investments	<u>Nil</u>
Total	73.610

2.8.5 The Council banks with National Westminster, which is part of the Royal Bank of Scotland Group. It is classed as a part nationalised institution.

2.8.6 The Council undertaken a tendering exercise in order to award the banking contract for a period of two years, with an annual option to extend for one year over a three year period.

2.8.7 The Council Strategy will be:

- a) To make Specified Investments in line with the above conditions;
- b) To make Non Specified Investments which satisfy all of the above with the exception of 2.8.6 a) which is extended to a period of less than 2 years;

It is suggested that the following investment vehicles should be made available to the authority:

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Investment	Reason	Risk
Term deposits made with banks as listed in annexe B5, following the investment criteria as listed in annexe B4. Deposits also acceptable on an overnight call basis. Can also deposit with Local Authorities.	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Local Authorities not credit rated.
Supra-national bonds	Greater levels of security of investment. A fairly liquid investment, though not as liquid as Gilts	High credit rating as placed with EIB and World Bank (AAA rated). Bond price may vary if sold early
Money Market Fund (MMF)	Similar or better rate than bank deposits, with no penalty charge for early redemption. Same day liquidity	High credit rating via the International Money Market Fund Association or IMMFA (AAA rated)
Gilts	Liquid and very secure. Interest paid every six months	High credit rating as Government backed (AAA rated). Bond price may vary if sold early
Treasury Bills	Liquid and very secure. Duration of < 1 year	No interest paid – they are zero-coupon rated.
Debt Management Agency Account Deposit Facility (DMADF)	Secure investment	High credit rating as Government backed (AAA rated). Interest earned low. Investment cannot be repaid early

The maximum that can be invested in any of the above vehicles is £25m, except for term deposits and MMF's for which no limit is set. The maximum maturity period in any of the above is 1 year, apart from suitably creditworthy banks which can be invested in for up to 2 years, in line with advice from SECTOR.

It is NOT proposed that the Council will be making any Non Specified Investments in 2011/2012 that do not comply with the above, however, should the situation change, the Head of Corporate Finance and Information Systems will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

2.8.8 The Bank of England Base Rate was reduced significantly in March 2009 to 0.5%. Sector's projections expect the rate to stabilise at 0.5% until starting to rise gradually with a potential increase in Q2 2011 to 0.75% and then up to 3.25% during Q4 2014. Sector's current interest rate view is outlined at **Annex B2**. Given the volatility of the market, the forecasts can only be used



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as a general guide to the future position. Consequently for 2011/12, the Authority has taken a prudent view and budgeted for an investment return based upon Sector's base rate projection during 2011/12.

2.8.8. In order to pursue the strategy of maximising returns from surplus funds at an acceptable level of security and liquidity, the following Brokers as suggested by Sector will be utilised for investments of over one month:

- i) Sterling International Brokers Limited;
- ii) Tradition UK Limited;
- iii) Tullet Prebon Limited.

2.8.9 Virtually any investment involves risk. The Council will consider the credit ratings supplied by a variety of recognised money market organisations, as part of the process to determine the list of Banks where the level of risk is acceptable, with security, then liquidity, being the key aims.

SECTOR supplies a methodology which the Council uses as the basis for producing its counterparty list. It uses a simple mathematical calculation to produce a score which is then used to categorise an institution in terms of the duration of an investment, a spread of scores defining each duration period. Each duration period is classified by a colour as follows

•	Green	3 months
•	Red	6 months
•	Orange	12 months
•	Purple	24 months

The calculation involves taking a simple weighted average across the main three credit ratings agencies, for the key factors of long term ratings, short term ratings, individual support, and external support rating. This gives a final score attributed to the institution. Overlaid over this are rating watches, which can either improve or worsen the score, depending upon whether the rating watch is positive or negative.

Credit default swap data (CDS) is then taken account of as part of the process. If the CDS causes the institution to be classed as being monitored, it is dropped to the next shortest duration. If it is considered to be out of range, it will no longer be considered credit worthy.

The Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthiness of counterparties, as Moody's are currently very much more aggressive in giving low ratings. This would leave the Council with few banks on the approved counterparty list. The Sector creditworthiness service does however use ratings from all three agencies, but does not give preponderance to just one agency's ratings.

However, to ensure that risk is managed to a greater extent, layered onto the new Sector methodology of selecting institutions for the Council's approved counterparty list will be the previous methodology of firstly choosing institutions that have a scoring of Fitch rating F1+/AA-, with an individual rating of minimum C, and support rating of minimum 2, i.e. excellent credit

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rating. This will define the first group of institutions that will be reviewed for investment purposes. However, any other available institutions that are deemed creditworthy as per the Sector methodology can be used if no suitable institutions are available from the main list.

2.8.10 Information from other sources will also be used such as

- Background research in the financial press
- Discussion with our treasury consultants
- Internal discussion with Head of Corporate Finance and Information Services

As a means of clarifying the level of acceptable risk, the Risk Matrix at **Annex B3** will be used. The Council will only invest in Banks that have a Risk Matrix scoring of F1+, AA- and Buildings Societies with a score of F1 (i.e. low risk) using the Fitch scoring methodology.

The Council maintains a full record of each investment decision taken, each of which is authorised by an appropriate level of signatory.

2.8.11 As noted in last year's report, Cabinet agreed that the limit of investments that can be made to any UK or international banking institution or group was raised from £15m to £25m. This reflected the fact that our counterparty list became drastically reduced following the downgrading of many banks by the credit rating agencies following the credit crunch. However, now that stability has now entered the banking sector, on an operational basis we are using an institutional or group limit of £15m in order to increase security of capital by spreading risk. However, the overall limit of £25m will be maintained as a maximum, should conditions change.

2.8.12 The current list of Banks at **Annex B5** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the Banks and Building Societies named, and utilising Sector's creditworthiness service. It has also been rationalised to only include institutions that are backed by a sovereign rating of AAA, which implies that national Governments would support the Banks if they were facing financial difficulties. The organisations listed will be monitored daily with the assistance of Sector to ensure they continue to meet the requirements outlined at **Annex B4**. In the event of a change in credit rating or outlook, the Council, with advice from Sector, will evaluate its significance and determine whether to include (subject to Cabinet approval) or remove the organisation from the approval list.

2.8.13 **Nationalised banks** are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. They also have a support rating of 1. Hence on both counts they have the highest ratings possible.

2.8.14 **UK banking system support package.** Please note that the UK Government has NOT given a blanket guarantee on all deposits but has underlined its

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determination to ensure the security of the UK banking system by supporting eight named banks with a £500bn support package.

2.8.15 If any of the Council's investments appear at risk of loss due to default (ie this is a credit related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make an assessment of whether a revenue provision of an appropriate amount is required.

## 2.8.16 Performance monitoring

The performance of the Council's investment strategy will be assessed by monitoring the average interest rate earned against the average 7 day LIBID on a monthly basis. This will be reported to Cabinet on a quarterly basis.

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## ANNEX B2

### SECTOR INTEREST

### RATE FORECAST

#### Sector's Interest Forecast as at 21 February 2011

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Bank rate	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%	3.00%	3.25%	3.25%
3 month LIBID	0.70%	0.80%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	3.00%	3.25%	3.50%	3.50%
6 month LIBID	1.00%	1.10%	1.20%	1.50%	1.80%	2.10%	2.40%	2.60%	2.80%	3.20%	3.50%	3.80%	4.00%
12 month LIBID	1.50%	1.60%	1.80%	2.10%	2.40%	2.70%	3.00%	3.10%	3.20%	3.40%	3.70%	4.00%	4.20%
5yr PWLB rate	3.70%	3.70%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.50%	4.60%	4.70%	4.80%
10yr PWLB rate	4.90%	4.90%	4.90%	4.90%	4.90%	5.00%	5.10%	5.20%	5.20%	5.30%	5.40%	5.40%	5.50%
25yr PWLB rate	5.40%	5.40%	5.40%	5.40%	5.40%	5.50%	5.50%	5.50%	5.50%	5.60%	5.60%	5.70%	5.70%
50yr PWLB rate	5.40%	5.40%	5.40%	5.40%	5.40%	5.50%	5.50%	5.50%	5.50%	5.60%	5.60%	5.70%	5.70%

**RISK ASSESSMENT MATRIX**

<b>DEFAULT</b>	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

**EXPOSURE**

**RISK TOLERANCE**

- LOW RISK            <2             24 months
- MEDIUM RISK    3-9            12 months
- HIGH RISK        >9 or =9     6 months and below

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**ANNEX B4**

## **FITCH RATING EXPLANATION**

### **Short term rating**

This places greater emphasis on the liquidity necessary to meet financial commitments.

**F1** – highest credit quality - + denotes exceptionally strong

**F2** – good credit quality

**F3** – fair credit quality

### **Long term rating**

**AAA** – highest credit quality – lowest expectation of credit risk and exceptionally strong capacity to pay financial commitments

**AA** – very high credit quality – very low credit risk and very strong capacity to pay financial commitments

**A** – high credit quality – low credit risk and considered to have strong capacity to pay financial commitments, but may be vulnerable

### **Individual rating**

This assesses how a bank would be viewed if it were entirely independent and could not rely on external support.

**A** – very strong bank – outstanding profitability and balance sheet integrity

**B** – strong bank – no major concerns regarding the bank

**C** – adequate bank – may have one or two troublesome characteristics

**D** – weak

**E** – serious problems

**F** – defaulted

### **Support rating**

Judgement of a potential supporter's (either sovereign state of parent) propensity to support the bank and its ability to support it.

**1** – extremely high probability of external support

**2** – extremely high probability of external support

**3** – moderate probability

**4** – limited probability

**5** – cannot rely on support

### **Rating watch**

This suggests that there is likely to be a rating change of any of the above four ratings.

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Investments with UK and International Banks (including the Nationwide Building Society) are limited by the Head of Corporate Finance and Information Systems to a maximum principal sum of £25m with any of the institutions listed above. A group limit of £25m will also be applied to institutions that are part of a group.

Investment with the Government's Debt Management Account Deposit Facility (DMADF), local authorities or any AAA MR1 + rated or equivalent Money Market Fund (with a maximum 60 day weighted average maturity) will be limited to a maximum principal sum of £25m. However, the Head of Corporate Finance and Information Systems can decide day to day maximum sums lower than this; an operational limit of £15m is currently in place.

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**ANNEX B5**

**SEFTON COUNCIL**  
**STANDARD LENDING LIST – main list**

<b><u>UK and International Banks (including Nationwide Building Society)</u></b>	<b>RATING</b>	<b>Negative rating watch?</b>	<b>Individual rating</b>	<b>Support rating</b>	<b>CDS</b>
<b><u>United Kingdom AAA</u></b>					
Santander UK)	F1+ / AA-	Yes	B	1	Monitoring
Bank of New York Mellon	F1+ / AA-			1	N/A
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-		C/D	1	N/A
Nationwide	F1+ / AA-	Yes	B	1	In range
<b><u>Canada AAA</u></b>					
Bank of Montreal	F1+ / AA-	Yes	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
<b><u>Finland AAA</u></b>					
Nordea Bank	F1+ / AA-		B	1	N/A
<b><u>France AAA</u></b>					
BNP Paribas	F1+ / AA	Yes	B	1	In range



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<b><u>UK and International Banks (including Nationwide Building Society)</u></b>	<b>RATING</b>	<b>Negative rating watch?</b>	<b>Individual rating</b>	<b>Support rating</b>	<b>CDS</b>
CNCE Calyon Corporate & Investment	F1+ / AA-	Yes	C	1	In range
Credit Industriel et Commercial	F1+ / AA-		B/C	1	N/A
Credit Agricole	F1+ / AA-	Yes		1	In range
<b><u>Germany AAA</u></b>					
Deutsche Bank	F1+ / AA-	Yes	B/C	1	In range
Landwirtschaftliche retenbank	F1+/AAA		W/D	1	N/A
<b><u>Netherlands AAA</u></b>					
Bank Nederlandse Gemeenten	F1+ / AAA		A	1	N/A
Coop Centrale Raiffeisen – Boerenleenbank BA	F1+ / AA+	Yes	A/B	1	In range
<b><u>Singapore AAA</u></b>					
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

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<u>UK and International Banks (including Nationwide Building Society)</u>	RATING	Negative rating watch?	Individual rating	Support rating	CDS
<b><u>Sweden AAA</u></b>					
Nordea Bank	F1+ / AA-	Yes	B	1	N/A
Svenska Handelsbanken	F1+ / AA-	Yes	B	1	In range
<b><u>Switzerland AAA</u></b>					
Credit Suisse	F1+ / AA-	Yes	B	1	In range
<b><u>USA AAA</u></b>					
Bank of New York Mellon	F1+ / AA-	Yes	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
Northern Trust Company	F1+ / AA-	Yes	B	1	N/A
Wells Fargo	F1+ / AA-	Yes	B	1	In range



SEFTON COUNCIL

MONEY LAUNDERING

POLICY

2011/12



CORPORATE FINANCE AND INFORMATION SERVICES

## 1. **Introduction**

- 1.1. This document sets out the Council's policy in relation to money laundering. The aim of the policy is to outline the approach the Council will adopt complying with its legal and professional obligations in relation to money laundering. The policy applies to all employees of the Council and aims to maintain the high standards of conduct that currently exist within the Council by preventing criminal activity through money laundering.

## 2. **What is Money Laundering?**

- 2.1. Money laundering is defined within Part 7 of the Proceeds of Crime Act (POCA) 2002 and Section 18 of the Terrorism Act 2000.
- 2.2. Money laundering is defined as:
  - a) Concealing, disguising, converting, transferring criminal property or removing it from the UK (s327 of the POCA 2002); or
  - b) Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (s328 of the POCA 2002); or
  - a) Acquiring, using or possessing criminal property (s329 of the POCA 2002); or
  - b) Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (s18 of the Terrorism Act 2000).
- 2.3. The above are the primary money laundering offences and thus prohibited acts under the legislation.
- 2.4. Potentially, any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it and/or do nothing about it. This policy outlines the approach to be taken in raising any concerns about money laundering.
- 2.5. It is recognised that the risk to the Council of contravening the legislation is low. However, it is extremely important that all employees are familiar with the legal responsibilities, as serious criminal penalties can be imposed for breaches of the legislation.

## 3. **Obligations on the Council**

- 3.1. The Council is required to undertake the following:
  - a) Appoint a Money Laundering Reporting officer ("MLRO") to receive disclosures from employees concerning suspicions of money laundering activity;
  - b) Implement disclosure procedures to enable the reporting of suspicions of money laundering by all staff;

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- c) Provide training to those staff considered to be most likely to encounter money laundering.

## 4. **The Money Laundering Reporting Officer**

- 4.1. The officer nominated to receive disclosures about money laundering activity within the Council (w.e.f. 1 April 2011) will be Margaret Rawding, Head of Corporate Finance and Information Services, who can be contacted as follows:

Address: 4th Floor, Magdalen House, Trinity Road, Bootle, L20 3NJ  
Telephone No: 0151 934 4096.

- 4.2. The officer nominated to act as deputy in the absence of the MLRO is Mike Martin, Strategic Finance Manager, who can be contacted as follows:

Address: 4th Floor, Magdalen House, Trinity Road, Bootle, L20 3NJ  
Telephone No: 0151 934 3506.

## 5. **Disclosure Procedure**

- 5.1. Following approval of the policy, guidelines will be separately produced by the MLRO and made available to all staff detailing the action that should be taken in the event of suspicions of money laundering. They will include a value limit for cash transactions above which staff must report the transaction to the MLRO. The value of this transaction limit has been set at £10,000.
- 5.2. The Guidelines will be drafted in a manner that ensures the Council and its staff act in a manner which complies with the relevant money laundering legislation. The guidelines will detail:
  - a) How staff should report their suspicions to the MLRO;
  - b) Action to be taken by staff once the report has been made to the MLRO;
  - c) Evaluation action to be taken by the MLRO on receipt of a report;
  - d) Action to be taken by the MLRO following evaluation of the report.

## 6. **Training and Awareness**

- 6.1. The success of the Council's actions in seeking to prevent money laundering will depend largely on the communication of the policy and guidelines to staff, particularly those staff more involved in the handling of cash transactions which could be significant and exceed the transaction limit noted at Para 5.1. In respect of current staff, communication of the money laundering policy and guidelines will be carried out as part of the normal cascading of information by senior management within the Council and by publishing the documents on the intranet.
- 6.2. Communication of the policy and guidelines will also be achieved as part of induction training of relevant new employees of the Council.

## 7. Summary

- 7.1. The Council is determined to ensure that it has robust procedures in order to prevent money laundering as a result of criminal activity. This Policy has been written in order to ensure that the Council establishes procedures that will ensure that it meets its legal and professional requirements in relation to money laundering but in a way that reflects the low risk to the Council of contravening the legislation.

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# Agenda Item 6

**REPORT TO:** Cabinet  
Council

**DATE:** 3 March 2011

**SUBJECT:** The Prudential Code for Capital Finance in Local  
Authorities – Prudential Indicators

**WARDS AFFECTED:** All

**REPORT OF:** Margaret Carney  
Chief Executive and S151 Officer  
0151 934 2057

**CONTACT OFFICER:** Jeff Kenah  
Corporate Finance Manager  
0151 934 4104

**EXEMPT/CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To establish the Prudential Indicators for Sefton required under the Prudential Code for Capital Finance in Local Authorities.

**REASON WHY DECISION REQUIRED:**

To enable the Council to effectively manage its Capital Financing activities, and comply with the CIPFA Prudential Code for Capital Finance in Local Authorities.

**RECOMMENDATION(S):**

Cabinet is recommended to:

- a) Approve the Prudential Indicators detailed in the report, and summarised in Annex A, as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- b) Approve the amendments of relevant Prudential Indicators in the event that any unsupported borrowing is approved as part of the 2011/2012 Revenue Budget;
- c) Delegate authority to the Head of Finance and Information Services to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report; and
- d) Refer the report to Council for approval.

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**KEY DECISION:** No, this report does not represent a key decision in itself but is critical in the delivery of the 2011/2012 Budget, which is a key decision for the Council.

**FORWARD PLAN:** No – see above.

**IMPLEMENTATION DATE:** With effect from 1 April 2011.

**ALTERNATIVE OPTIONS:**

There are no alternative options. Under The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 the Council must have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities.

**IMPLICATIONS:**

**Budget/Policy Framework:** The establishment and monitoring of Prudential Indicators will ensure that the financial implications of capital investment will be contained within approved revenue budgets.

**Financial:** See above.

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

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**Legal:** To comply with The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

**Risk Assessment:** Operation within the Prudential Indicators will minimise the risk of any additional revenue budget pressures resulting from capital financing decisions.

**Asset Management:** None.

## CONSULTATION UNDERTAKEN/VIEWS:

None.

## CORPORATE OBJECTIVE MONITORING:

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
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:

The CIPFA Prudential Code for Capital Finance in Local Authorities.

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## BACKGROUND:

### 1. Introduction

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation and is acting prudently and that its capital expenditure proposals are affordable. This report presents for approval the Prudential Indicators required to be set by the Council in 2011/2012 to comply with the Code.
- 1.2. The Council is required to approve Prudential Indicators for the following items:
- (i) Capital Expenditure (Section 2);
  - (ii) Financing Costs/Net Revenue Stream (Section 3);
  - (iii) Capital Financing Requirement (Section 4);
  - (iv) External Debt (Section 5-6);
  - (v) Impact on Council Tax (Section 7);
  - (vi) Treasury Management Indicators (Section 8).

These indicators are presented in the following paragraphs and summarised at Annex A.

### 2. Prudential Indicator – Capital Expenditure

- 2.1. This indicator details the overall total planned capital expenditure of the Council and therefore reflects the Council's Capital Programme. This is the subject of a separate report elsewhere on today's agenda.
- 2.2. The actual capital expenditure that was incurred in 2009/2010 and the estimates for the current and future years capital programme recommended for approval are:-

	<u>2009/2010</u> <u>Actual</u> <u>£m</u>	<u>2010/2011</u> <u>Estimate</u> <u>£m</u>	<u>2011/2012</u> <u>Estimate</u> <u>£m</u>	<u>2012/2013</u> <u>Estimate</u> <u>£m</u>	<u>2013/2014</u> <u>Estimate</u> <u>£m</u>
Children's Services	27.885	36.792	9.494	0.610	0.000
Housing – General Fund	18.460	15.443	8.052	0.000	0.000
Technical Services	7.731	6.507	1.747	3.000	0.300
Other Services	20.022	24.502	23.817	8.009	4.068
Total	74.098	83.244	43.110	11.619	4.368

- 2.3. At this time, the Council has only received provisional indications as to the capital resources it may be given in 2012/2013 and 2013/2014 and this is reflected in the current levels of planned expenditure. The reductions noted in 2011/12 reflect the ending of major schemes such as Litherland OSP, and the effect of the Comprehensive Spending Review.

### 3. Prudential Indicator – Financing Costs/Net Revenue Stream

- 3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers. From 2011/12 Net Revenue Stream no longer includes Area Based Grant, but includes Council Tax Freeze Grant.
- 3.2. Estimates of the ratio for the current and future years and the actual figures for 2009/2010 are:

<b>Financing Costs/Net Revenue Stream</b>					
	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	4.4%	5.2%	6.4%	6.9%	6.7%

- 3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme. The movement in the figure reflects the reduction in investment income earned during 2010/11 and projected in future years, as a result of the reduction in the Bank of England base rate as a ongoing consequence of the events of the banking crisis in 2009.

### 4. Prudential Indicator – Capital Finance Requirement

- 4.1. The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements. It should be noted that the Council's PFI scheme for Crosby Leisure Centre has now been included as part of the Capital Financing Requirement. This is due to the implementation of International Financial Reporting Standards and the anticipated need for the scheme to be brought back onto the balance sheet from 2009/10 (previously it had been accounted for "off balance sheet").

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- 4.2. Estimates of the end of year Capital Financing Requirement for the current and future years are set out in the table below:

<b>Capital Financing Requirement</b>					
	<u>31/03/10</u>	<u>31/03/11</u>	<u>31/03/12</u>	<u>31/03/13</u>	<u>31/03/14</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	182.400	194.700	207.000	204.000	199.000

- 4.3. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key indicator of prudence:

*"In order to ensure that the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short-term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".*

- 4.4. The Authority will comply with this requirement in 2011/12, 2012/13 and 2013/14.

## 5. **Prudential Indicator – Borrowing Limits**

- 5.1. External borrowing undertaken by the Council arises as a consequence of all the financial transactions of the Authority, both capital and revenue, and not simply those arising from capital spending. The Council manages its Treasury Management position in terms of its external borrowings and investments in accordance with its approved Treasury Management Strategy and Policy Statements. These documents are presented for approval elsewhere on today's agenda.

### 5.2. The Operational Boundary

- 5.2.1. The Operational Boundary sets a limit on the total amount of long-term borrowing that the Council can undertake. It reflects the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices. The figures are based on prudent estimates.

- 5.2.2. In respect of the Operational Boundary it is recommended that the Council approves the following limits for the next three financial years. These limits separately identify borrowing from other long-term liabilities.

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<b>Operational Boundary</b>				
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	140.000	159.000	163.000	164.000
Other long term liabilities	7.500	6.500	6.500	5.500
<b>Total</b>	<b>147.500</b>	<b>165.500</b>	<b>169.500</b>	<b>169.500</b>

5.2.3. The Council is asked to approve these limits and to delegate authority to the Head of Corporate Finance and Information Services to manage the movement between the separately agreed limits for borrowing and other long-term liabilities within the total limit for any individual year. Any such changes made will be reported to Members at the earliest opportunity.

## 5.3. The Authorised Limit

5.3.1. The Authorised Limit sets a limit on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the authorised limit. The authorised limit determined for 2011/12 will be the statutory limit determined under section 3 (1).

5.3.2. The Council is asked to delegate authority to the Head of Corporate Finance and Information Services to effect movement between the separately agreed figures for borrowing and other long-term liabilities within the total authorised limit for any year. Any such changes will be reported to the Council at the earliest opportunity. The Authorised Limit for external debt is:

<b>Authorised Limit</b>				
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (short & long-term)	155.000	174.000	178.000	179.000
Other long term liabilities	7.500	6.500	6.500	5.500
<b>Total</b>	<b>162.500</b>	<b>180.500</b>	<b>184.500</b>	<b>184.500</b>

## 6. Prudential Indicator – Actual External Debt

6.1. The Prudential Code requires that in setting indicators for 2011/12, the Council reports its actual levels of external debt as at 31 March 2010. The Council's actual external debt at 31 March 2010 was £118.937 comprising £111.935m borrowing and £7.002m other long-term liabilities.

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## **7. Prudential Indicator – Impact on Council Tax**

- 7.1. Under the Prudential Code, Local Authorities are able to decide the level of borrowing required to meet the demands of the capital programme. The Authority is given revenue support for borrowing up to a limit determined by Central Government, and this will therefore have no effect on the Council Tax. However, any unsupported borrowing will have to be funded by Council Taxpayers. As such, these indicators are a key measure of affordability of unsupported borrowing undertaken to support capital investment decisions.
- 7.2. The indicators for the impact on Council Tax of unsupported borrowing are to reflect any ADDITIONAL/NEW unsupported borrowing approval.
- 7.3. Due to current budget constraints no new starts have been included within the 2011/12 capital programme.
- 7.4. In the event that any amendments are made to the New Starts Capital Programme considered on today's agenda, the actual indicator will be recalculated accordingly.

## **8. Prudential Indicator – Treasury Management**

- 8.1. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The annual Policy and Strategy Documents establish the following limits/controls for interest rate exposure, debt maturity profiles and an upper limit for investments made by the Council for more than 364 days.

### **8.1.1. Interest Rate Exposure**

- i) An upper limit on its fixed interest rate exposures for 2011/2012 – 2013/2014 of 250% of its net outstanding principal sums;
- ii) An upper limit on its variable interest rate exposures for 2011/2012 – 2013/2014 of -50% of its net outstanding principal sums.

This indicator calculates exposure of either fixed or variable rate borrowings, less fixed or variable rate investments, expressed as a percentage of both fixed and variable rate borrowings net of fixed and variable rate investments.

This prudential indicator has been revised this year due to a number of breaches noted in 2010/11. This revision is because in order to protect the security and liquidity of the Council's funds more cash deposits are being placed overnight rather than long term.



## 8.1.2. Debt Maturity Profile

A debt maturity profile is detailed in the following table i.e. the amount of borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

<b>Debt Maturity Profile</b>	<u>Upper limit</u>	<u>Lower limit</u>
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

## 8.1.3. Investments Over 1 Year

An upper limit on the value of non-specified investments over 1 year, but less than 5 years with Banks/Building Societies (as approved in the annual Policy and Strategy Documents) of 40% of Total Investments. This limit will be kept under review to take advantage of any opportunities in the current money market. Members will be advised of any change.

## 9. Monitoring Prudential Indicators

- 9.1. Having established the Prudential Indicators the Head of Corporate Finance and Information Services will monitor them during the year and report on actual performance as part of the Council's Annual Accounts. In the event of any variations during a financial year, reports will be presented to Cabinet highlighting the variation, the reason and the corrective action to be taken.

## 10. Recommendations

- 10.1. Cabinet is recommended to:

- a) Approve the Prudential Indicators detailed in the report, and summarised in Annex A to be used as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- b) Approve the amendments of relevant Prudential Indicators in the event that any unsupported borrowing is approved as part of the 2011/2012 Revenue Budget;
- c) Delegate authority to the Head of Corporate Finance & Information Services to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report; and
- d) Refer the report to Council for approval.

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## Summary of Prudential Indicators.

## ANNEX A

<b>Capital Expenditure - 2009/2010 to 2013/2014 (Para 2)</b>					
	2009/10 £'000 Actual	2010/11 £'000 Estimate	2011/12 £'000 Estimate	2012/13 £'000 Estimate	2013/14 £'000 Estimate
Education	27.885	36.792	9.494	0.610	0.000
Housing – General Fund	18.460	15.443	8.052	0.000	0.000
Technical Services	7.731	6.507	1.747	3.000	0.300
Other Services	20.022	24.502	23.817	8.009	4.068
<b>TOTAL</b>	<b>74.098</b>	<b>83.244</b>	<b>43.110</b>	<b>11.619</b>	<b>4.368</b>

<b>Financing Costs/Net Revenue Stream (Para 3)</b>					
	2009/10 Actual	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
	4.4%	5.2%	6.4%	6.9%	6.7%

<b>Capital Financing Requirement (Para 4)</b>					
	31/03/10 £'000 Actual	31/03/11 £'000 Estimate	31/03/12 £'000 Estimate	31/03/13 £'000 Estimate	31/03/14 £'000 Estimate
	182.400	194.700	207.000	204.000	199.000

<b>Operational Boundary (Para 5)</b>				
	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Borrowing	140.000	159.000	163.000	164.000
Other long term liabilities	7.500	6.500	6.500	5.500
<b>Total</b>	<b>147.500</b>	<b>165.500</b>	<b>169.500</b>	<b>169.500</b>

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<b>Authorised Limit (Para 5)</b>				
	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Borrowing	155.000	174.000	178.000	179.000
Other long term liabilities	7.500	6.500	6.500	5.500
<b>Total</b>	<b>162.500</b>	<b>180.500</b>	<b>184.500</b>	<b>184.500</b>

<b>Unsupported Borrowing (Para 7)</b>				
	2010/1 £m	2011/12 £m	2012/13 £m	2013/14 £m
General Fund	0.000	0.000	0.000	0.000

<b>Impact on the Band D Council Tax (Para 7 – New starts)</b>				
	2010/11 £	2011/12 £	2012/13 £	2013/14 £m
	0.000	0.000	0.000	0.000

<b>Limit on Interest Rate Exposure (Para 8)</b>		
	Upper Limit	Lower Limit
Fixed Borrowing/ Investment	250%	150%
Variable Borrowing/ Investment	-50%	-150%

<b>Fixed Rate Debt Maturity (Para 8)</b>		
	Upper Limit	Lower Limit
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

<b>Investments over 1 Year (Para 8)</b>	
Non-Specified Investments over 1 year but less than 5 years with approved Banks/Building Societies	) 40% of Total Investments

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**REPORT TO:** Cabinet  
Council

**DATE:** 3 March 2011

**SUBJECT:** Capital Programme

**WARDS AFFECTED:** All

**REPORT OF:** John Farrell - Interim Head of Corporate  
Finance and ICT  
Bill Milburn - Strategic Director Communities  
Charlie Barker - Strategic Director Social Care  
and Wellbeing  
Peter Morgan - Strategic Director Children,  
Schools and Families

**CONTACT OFFICER:** Mike Martin –Strategic Finance Manager  
0151 934 3506

**EXEMPT/CONFIDENTIAL:** No

## **PURPOSE/SUMMARY:**

To consider the formulation of the capital programme as part of the budget setting process for approval by Council. The report also includes some recommendations to change the Constitution for approval by Council that will improve accountability and management of the capital programme.

## **REASON WHY DECISION REQUIRED:**

The recommended capital programme must be approved by Cabinet as part of the budget setting process.

## **RECOMMENDATION(S):**

Cabinet is requested to:-

- a) Approve the revised phasing of the ongoing Capital Programme as shown in Annex A;
- b) Approve the inclusion of the Leisure and Tourism capital schemes, funded from specific capital resources and outlined in paragraph 2.4, in the 2010/11 capital programme;
- c) Recommend to Council that the proposals outlined in section 3 to change the Scheme of Delegation in the Constitution be made;
- d) Confirm that the allocations detailed in paragraph 4.5.1 are utilised by the relevant service, with proposals for their use reported in line with the Constitution;
- e) Note the approval by the Environment Agency of the Regional Coastal Monitoring Programme 2011/16 as outlined in paragraph 4.6.11;
- f) Refer the report to Council for approval.

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Council is requested to :-

- a) Approve the Capital Programme;
- b) Approve the inclusion of the Leisure and Tourism capital schemes, funded from specific capital resources and outlined in paragraph 2.4, in the 2010/11 capital programme;
- c) Approve the recommended changes to the Scheme of Delegation and the Constitution as outlined in section 3 of the report;
- d) Confirm that the allocations detailed in paragraph 4.5.1 are utilised by the relevant service, with proposals for their use reported in line with the Constitution;
- e) Approve the inclusion of the North West Regional Monitoring Strategy in the capital programme at a cost of £879,000 in 2011/12, fully funded from Environment Agency grant and that future years' allocations will be included as and when final confirmation is received from DEFRA.

**KEY DECISION:** Yes

**FORWARD PLAN:** Yes

**IMPLEMENTATION DATE:** Following Council on 3 March 2011

**ALTERNATIVE OPTIONS:**

To not approve the capital programme may prevent progress of capital schemes.

**IMPLICATIONS:**

**Budget/Policy Framework:** The revenue implications of the ongoing schemes presented in this report can be contained in the draft Base Budget for 2011/12, which is the subject of a separate report on the agenda.

**Financial:** See above

**Legal:** The report includes some recommended changes to the Council's Constitution. These have been formulated in conjunction with the Head of Legal Services and the Strategic Asset Management Group.

**Risk Assessment:** Delivery of certain schemes in the programme for example, those of a health and safety nature will reduce that level of risk to which the Council may be exposed.

**Asset Management:** Approval of the capital programme will enable the delivery of the Council's Asset Management Plan.

**CONSULTATION UNDERTAKEN/VIEWS**

Strategic Asset Management Group

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Head of Legal Services (LD00060/11)

The Interim Head of Corporate Finance & Information Services has been consulted and his comments have been incorporated into this report.

**FD 674/2011**

## **CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
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**

[www.local.communities.gov.uk/finance/1112/capitalgrant](http://www.local.communities.gov.uk/finance/1112/capitalgrant)

Letter from Department for Education: Local Authority Allocations – 13 December 2010

Letter from Department for Transport: Local Transport Settlement (2011/12 – 2012/13) – 13 December 2010

Letter from Department for Health : Adults' Personal Social Services: Specific Revenue Grants and Capital Grant Allocations for 2011-12 and 2012-13 – 13 December 2010

Letter from Environment Agency : Flood and Coastal Erosion Risk Management CAPITAL GRANT ALLOCATION – 10 February 2011

# Agenda Item 7

## 1. Introduction

- 1.1. This report considers the latest position in respect of 2010/11 and includes proposals for a review of the funding of capital investments that will allow the development of a new starts programme for 2011/12 in the light of recent resource notifications received from Central Government and the formulation of the Revenue Budget.

## 2. Capital Programme 2010/11

- 2.1. Following the review of the capital programme by Cabinet on 2 September 2010, which resulted in the resources associated with several uncommitted capital schemes being released, all remaining approved and ongoing schemes have now been completely reviewed and any changes have reflected in the ongoing capital programme attached at Annex A.
- 2.2. In summary, the payments to be made within the ongoing capital programme will be resourced as follows:

<b>Resource</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Later</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Supported borrowing	4.486	2.061	0.023
Prudential borrowing	14.442	17.550	6.156
Grants	60.929	15.712	8.408
Contributions	1.271	0.531	1.370
Capital receipts	1.150	5.987	0.000
Direct revenue funding	0.966	0.269	0.030
	<b>83.244</b>	<b>42.110</b>	<b>15.987</b>

- 2.3. The Council has received two capitalisation directions, for 2010/11 only, which have been included in Annex A and are detailed below:-

Equal pay capitalisation	£2.151m
Redundancy pay capitalisation	£3.040m
<b>Total</b>	<b>£5.191m</b>

- 2.4. The following Section 106 funded schemes were approved by the Strategic Asset Management Group in the latter part of 2010. Furthermore, both the Hatton Hill and Tree Planting schemes were reported to Leisure and Tourism Cabinet Member on 3 November 2010, where it was resolved that Cabinet be requested to include the schemes in the capital programme.

South Park Improvements, Bootle	£253,000
Hatton Hill Park Improvements, Litherland	£68,000
North Park Improvements, Bootle	£127,000
Derby Park Improvements, Bootle	£67,500
Tree Planting Programme 2010/11	£125,500
<b>Total</b>	<b>£641,000</b>

All of the above expenditure can be funded in full from various Section 106 deposits received by the Council. Currently, the Constitution requires Cabinet approval for such schemes to be included in the capital programme and, therefore, to proceed.

## 3. Proposed Changes to the Constitution



- 3.1 The Constitution, as it relates to Standing Orders Relating to Financial Matters, specifically section 13 – Capital Programme and Expenditure on page 230, currently states:

*“13.1 Each Chief Officer, in conjunction with the Chief Executive and the Finance and IS Director, shall compile such programmes of projects of a capital nature as from time to time shall be required by the Council.*

*13.2 Subsequent to the Council's adoption of the capital programme and before any expenditure (other than preliminary expenditure necessary for the preparation of the scheme) is incurred, individual schemes shall be submitted to the Council for approval together with a financial appraisal of the scheme prepared jointly by the Finance and IS Director and the appropriate Chief Officer.”*

- 3.2 The requirements in sub paragraph 13.2 causes administrative burdens and, at times, can lead to inordinate delays in progressing schemes with the possibility of incurring additional costs. The matter has been considered and reviewed by the Strategic Asset Management Group (SAMG) and the following amendments are recommended:

*“13.1 Each Chief Officer in conjunction with the Chief Executive and Head of Corporate Finance shall compile and allocate such programmes of projects of a capital nature as from time to time shall be required by the Council.*

*13.2 Subsequent to the Council adopting the general Capital Programme and before any expenditure (other than preliminary expenditure necessary for the preparation of a scheme) is incurred, individual capital schemes over £500,000 in value shall be submitted to the Cabinet for approval together with a financial appraisal of the scheme prepared jointly by the Head of Corporate Finance and the appropriate Chief Officer. Individual capital schemes under £500,000 in value shall be submitted to the appropriate Cabinet Member for approval together with a financial appraisal.”*

- 3.3 SAMG also considered matters relating to potential capital schemes to be funded from resources generated by planning requirements under Section 106 (Town and Country Planning Act 1990) and Section 278 (Highways Act 1980). It is recommended that the Delegation to Planning Committee on page 63 of the Constitution be amended to read :

*“(A) COMMITTEE {P.63}*

*3. Authorisation to enter into agreements under Section 106 of the Town and Country Planning Act 1990 and S. 278 of the Highways Act 1980 for planning purposes and to approve entry into the budgetary process at the appropriate time of any commuted sums payable thereunder.”*

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- 3.4 As a consequence of the changes in paragraphs 3.2 and 3.3 above it will be necessary to amend the Scheme of Delegation of Responsibility for Executive Functions to Cabinet; specifically item 13 on page 101 of the Constitution as follows:

*"CABINET {P.101}*

*13 Implementation and monitoring of budget changes including the approval of the entry of new Schemes into the Capital Programme."*

## **4. Capital Resources 2011/12**

- 4.1 As part of its Spending Review 2010, announced last October, the Government made the decision that no new supported borrowing (SCE(R)) allocations will be made in the review period. In future, Government capital support will be given in the form of capital grants only, with the aim of offering greater transparency, simplicity and targeted funding for capital purposes.
- 4.2 However, whilst there are no new SCE (R) allocations in 2011/12, the level of assumed outstanding debt is still included in the Formula Grant calculation as in previous years.
- 4.3 As part of the Government's decentralisation agenda, the Spending Review aims to provide freedom and flexibility to Councils. As a result, capital grants to Councils have been simplified. The majority of capital grants are now completely non-ringfenced and there are fewer grant regimes for Councils to deal with.
- 4.4 Under the Prudential Code, the Council can supplement Government capital support by "prudential borrowing" funded exclusively from the Council's revenue budget. Such borrowing must be affordable and within authorised limits approved by the Council (there is a report elsewhere on this agenda on Treasury Management Policy and Strategy 2011/2012 dealing with these limits). Members should note that the revenue budget proposals for 2011/12 do not include any provision to support any new capital expenditure funded by prudential borrowing.

## **4.5 Government Capital Allocations 2011/2012**

- 4.5.1 The table below itemises capital allocations that have been notified to date for 2011/12; the 2010/11 figures, where applicable, are shown for comparison.

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	2010/11 £'000	2011/12 £'000	Variation £'000
Children's Services - Devolved Formula Capital (ringfenced)	1,895	620	-1,275
Children's Services - Basic Need	655	894	+239
Children's Services - Capital Maintenance	-	3,516	+3,516
Children's Services - Modernisation	1,287	-	-1,287
Children's Services - Targeted Capital Fund Grant	5,000	-	-5,000
Children's Services - Extended Schools Grant	237	-	-237
Children's Services - Youth Capital Fund Grant	75	-	-75
Children's Services - Primary Capital Programme Grant	5,996	-	-5,996
Children's Services - Schools Access Initiative	401	-	-401
Children's Services - Personal Social Services	45	-	-45
Children's Services – Aiming High for Disabled Children Grant	391	-	-391
Children's Services – Playbuilder Grant	275	-	-275
Children's Services - City Learning Centres Grant	300	-	-300
<b>Total Children's Services</b>	<b>16,557</b>	<b>5,030</b>	<b>-11,527</b>
HMR Grant	7,577		-7,577
HCA Grant	2,548		-2,548
Housing – Regional Housing Pot	2,188		-2,188
Disabled Facilities Grant #	1,336	TBC	?
<b>Total Housing</b>	<b>13,649</b>	<b>-</b>	<b>-12,313</b>
Social Services - Social Care Grant	147	-	-147
Social Services - Mental Health Grant	150	-	-150
Social Services -Adult Social Care IT Infrastructure Grant	112	-	-112
Social Services – Investment for Transformation in Adult Social Care Grant	197	-	-197
Dept. of Health Capital Grant	-	797	+797
<b>Total Social Services</b>	<b>606</b>	<b>797</b>	<b>+191</b>
Highways Maintenance	2,421	2,474	+53
Integrated Transport Block Grant (indicative)	2,683	981	-1,702
De-trunked Roads Maintenance Grant	226	-	-226
<b>Total Transportation</b>	<b>5,330</b>	<b>3,455</b>	<b>-1,875</b>
<b>Total Allocations</b>	<b>36,142</b>	<b>9,282#</b>	<b>-25,524</b>

**Note #** The 2011/12 capital allocation in respect of Disabled Facilities Grants is still awaited. Members are reminded that all 2011/12 allocations are now

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capital grant. Previous years' allocations, except where described, have been supported borrowing approvals.

- 4.5.2 The significant reduction in Children's Services capital allocations is as a result of the removal of several annual funding streams such as Modernisation and Schools' Access Initiative. The Targeted Capital Fund was a specific allocation but for 2009/10 and 2010/11 only.
- 4.5.3 In respect of the Children's Services Devolved Formula Capital ringfenced allocation, the Secretary of State for Education made the following comments in his ministerial statement on education spending. *"The Devolved Formula Capital Grant is a much lower rate than previously. The Audit Commission criticised the allocation of large amounts of funding to schools that was not targeted to building need. Therefore, in view of the need to prioritise, I have balanced the bulk of maintenance funding to local authorities, to support local prioritisation and larger projects, with coordinated and efficient procurement"*.
- 4.5.4 The Children's Services Capital Maintenance allocation is a new funding stream, which is aimed at ensuring that buildings and equipment are properly maintained, to ensure that health and safety standards are met, and to prevent a backlog of decay building up which is expensive to address.
- 4.5.5 As part of the Spending Review, the Department for Transport has announced a radical simplification of local transport funding, moving from 26 separate grant streams to just 4:-
- a new Local Sustainable Transport Fund (capital and revenue);
  - major schemes (capital);
  - block funding for Highways Maintenance (capital); and
  - block funding for Integrated Transport (capital).
- The allocations are now distributed via the local Integrated Transport Authority (ITA).
- 4.5.6 The Department for Transport has established a new £560m Local Sustainable Transport Fund to support packages of transport interventions that promote economic growth and reduce carbon emissions in their communities. In addition to delivering cleaner environments and improved air quality the fund aims to promote enhanced road safety and reduce congestion. The fund will be in the form of £350m revenue and £210m capital resources spread nationally over the next four years. Authorities will be invited to bid for funds, with the allocations being announced later in the year.
- 4.5.7 Members are informed that on 4 February 2011 the Department for Transport approved the Council's funding bid for the Thornton to Switch Island Link Road capital scheme. The Council will receive £14.5m of capital grant towards the £19.238m scheme; the balance is to be funded from the approved ongoing capital programme by prudential borrowing. This is the subject of a separate report elsewhere on the agenda.
- 4.5.8 The Council has in the past received an allocation of capital grant from the Regional Housing Pot. In 2010/2011 this allocation was £2.188m. However, from 2011/2012 onwards these resources will no longer be made available. Similarly the Council received grants from Government and the Homes and Communities Agency for the Housing Market Renewal Initiative (HMR) but

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these are ceasing at 31 March 2011; any grant that is not utilised at the year end may be carried forward to meet expenditure falling into 2011/12. Members should note that there are sufficient resources to meet the existing commitments of the HMR programme in 2011/12 shown in Annex A.

- 4.5.9 Traditionally, the Cabinet has recommended that all capital allocations should be utilised by the appropriate service receiving the allocation. As indicated in paragraph 4.3 above, the Government has removed the ringfence from the majority of capital allocations. However, Members should note that the Highways allocations are controlled via the local ITA, the implication being that if they are not used for transport related schemes the ITA could withhold the grant which could place the Council at risk of having a shortfall of capital resources.
- 4.5.10 Accordingly, Members are therefore asked to confirm that the allocations detailed in paragraph 4.5.1 are utilised by the relevant service. Officers will then formulate proposals for a new starts capital programme for 2011/12 and report them in line with the changes to the Constitution as outlined in section 3.
- 4.5.11 Finally, Members are advised that following a new grant application to the Environment Agency, grant approval has been received for the period 2011-2016 for the continuation of the North West Regional Monitoring Strategy which collects, analyses and interprets local and regional datasets to inform coastal flood and erosion risk management. The Programme is 100% grant aided by the Environment Agency and has been coordinated by Sefton Council since 2007 on behalf of the North West and North Wales Coastal Group. The grant approval for the five year period is analysed as follows:-

	<b>Regional Total</b>
Year 1	£879,000
Year 2	£1,309,000
Year 3	£803,000
Year 4	£734,000
Year 5	£534,000
<b>Total</b>	<b>£4,259,000</b>

Members are advised that the Year 1 (2011/12) allocation is a firm offer. However, subsequent years' allocations are indicative only and are subject to DEFRA'S ongoing considerations about changes to funding which may affect investment choices from 2012/13 onwards. Approval is therefore sought to include the North West Regional Monitoring Strategy scheme in the capital programme at a cost of £879,000 in 2011/12 only, fully funded from Environment Agency grant, and that future years' grant allocations will be included as and when final confirmation is received from DEFRA.

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## 5. Recommendations

### 5.1 Cabinet is requested to:-

- a) Approve the revised phasing of the ongoing Capital Programme as shown in Annex A;
- b) Approve the inclusion of the Leisure and Tourism capital schemes, funded from specific capital resources and outlined in paragraph 2.4, in the 2010/11 capital programme;
- c) Recommend to Council that the proposals outlined in section 3 to change the scheme of delegation and the Constitution be made;
- d) Confirm that the allocations detailed in paragraph 4.5.1 are utilised by the relevant service, with proposals for their use reported in line with the Constitution;
- e) Note the approval by the Environment Agency of the Regional Coastal Monitoring Programme 2011/16 as outlined in paragraph 4.6.11;
- f) Refer the report to Council for approval.

### Council is requested to :-

- a) Approve the Capital Programme;
- b) Approve the inclusion of the Leisure and Tourism capital schemes, funded from specific capital resources and outlined in paragraph 2.4, in the 2010/11 capital programme;
- c) Approve the recommended changes to the Scheme of Delegation in the Constitution as outlined in Section 3 of the report;
- d) Confirm that the allocations detailed in paragraph 4.5.1 are utilised by the relevant service, with proposals for their use reported in line with the Constitution;
- e) Approve the inclusion of the North West Regional Monitoring Strategy in the capital programme at a cost of £879,000 in 2011/12, fully funded from Environment Agency grant and that future years' allocations will be included as and when final confirmation is received from DEFRA.

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## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### Committee Summary

COMMITTEE	TOTAL COST	Phasing of remaining expenditure		
		2010/11	2011/12	LATER YEARS
	£'000	£'000	£'000	£'000
Children's Services	109,981.77	36,791.19	9,493.17	610.33
Corporate Services	8,968.16	2,995.92	1,065.16	0.00
Environmental	3,432.96	1,492.03	780.00	0.00
Health & Social Care	3,928.40	1,537.75	797.39	129.06
Leisure and Tourism	66,135.30	11,535.25	13,750.24	6,292.60
Regeneration	55,009.52	16,193.17	13,476.53	3,654.73
Technical Services	15,450.99	6,507.31	1,747.14	3,300.00
Capitalisation - Maintenance Projects	4,000.00	1,000.00	1,000.00	2,000.00
Capitalisation - Equal Pay	2,151.00	2,151.00	0.00	0.00
Capitalisation - Redundancy Costs	3,040.00	3,040.00	0.00	0.00
<b>TOTAL ALL SCHEMES</b>	<b>272,098.10</b>	<b>83,243.62</b>	<b>42,109.63</b>	<b>15,986.72</b>

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## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### CHILDREN'S SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>General</u></b>					
1	Great Crosby RC PS - Single Siting	327.83	17.99	0.00	0.00
2	Forefield Juniors-Alteration and Extension	222.88	13.86	0.00	0.00
3	Capitalised Maintenance	805.83	750.00	55.83	0.00
4	Merefield-New Classrooms	1,471.86	33.20	0.00	0.00
5	School Travel Plans 2004/05 - 2009/10	320.07	86.19	0.00	0.00
6	Litherland Sports Park	5,551.35	44.05	0.00	0.00
7	Hillside High School - Sports Hall	1,700.00	15.77	0.00	0.00
8	Devolved Formula Capital	3,179.75	1,800.00	1,379.75	0.00
9	Birkdale High School-Media Hall	1,338.52	17.03	0.00	0.00
10	Range HS - Specialist Accommodation	2,781.00	10.34	0.00	0.00
11	Rimrose Hope Primary School-Targeted Capital	6,390.00	298.35	10.00	0.00
12	Youth Capital Fund	634.17	45.91	0.00	0.00
13	Thomas Gray PS - Single Siting	3,128.00	68.43	0.00	0.00
14	South Sefton Sixth Form Centre	12,494.98	385.94	150.00	0.00
15	Churchtown CP School - SEN Facilities	142.61	2.62	0.00	0.00
16	Litherland OSP	26,415.62	14,112.69	2,105.00	467.62
17	Newfield School - Specialist College Status	159.82	12.37	0.00	0.00
18	Fair Play Playbuilder Programme	961.83	294.57	0.00	0.00
19	Forefield Juniors - Outdoor Facilities	335.35	5.05	0.00	0.00
20	TCF SEN - Post 16 SEN Facility Thornton	2,000.00	325.00	1,610.00	65.00
21	Low and Zero Carbon Schools	250.00	116.34	0.00	0.00
22	Play Naturally	278.07	221.07	0.00	0.00
23	Extended Schools 2008/09 - 2010/11	1,021.87	315.35	0.00	0.00
24	TCF Kitchens / Dining Rooms	607.41	466.24	0.00	0.00
25	Meols Cop Specialist College for Sport	150.00	144.29	5.00	0.00
26	Aimimg High for Disabled Children	158.70	158.70	0.00	0.00
27	Hillside High School Specialist College Redesignation	25.00	14.44	0.00	0.00
28	Formby HS Specialist College Redesignation	25.00	14.29	0.00	0.00
29	Maghull High School Specialist College Redesignation	25.00	25.00	0.00	0.00
30	Meols Cop HS Dining Room Conservatory	212.17	196.50	0.00	0.00
31	Forefield JS Entrance and Reception Area	171.00	165.92	5.08	0.00
32	Bedford PS Family Room	307.50	100.00	200.00	7.50



# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### CHILDREN'S SERVICES

1 REF. NO.	2 PROJECT DESCRIPTION	3 TOTAL COST	4 Phasing of remaining expenditure		
			5 2010/11	6 2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
33	Birkdale HS Science Lab Refurbishment	328.53	318.53	10.00	0.00
34	Meols Cop HS Science Prep Room Extension	33.10	33.10	0.00	0.00
35	Greenacre Nursery - provision of multipurpose room	86.33	81.33	5.00	0.00
36	Kings Meadow PS Kitchen Refurbishment	158.13	153.13	5.00	0.00
37	Norwood PS After School Club/Kitchen Extension	242.81	242.81	0.00	0.00
38	Special Guardianship Capital Grant	26.75	26.75	0.00	0.00
39	Presfield Special School Spec. School Status	20.00	20.00	0.00	0.00
40	Old Schemes	113.51	47.70	0.00	0.00
<b>Total General</b>		<b>74,602.35</b>	<b>21,200.85</b>	<b>5,540.66</b>	<b>540.12</b>

#### IT Schemes

41	City Learning Centres - Capital Redev. Grant	4,641.77	276.52	300.00	0.00
42	CSF IT Strategy	1,250.00	0.23	13.80	0.00
43	CS IT (Single Child Record)	540.00	65.00	470.35	0.00
<b>Total IT Schemes</b>		<b>6,431.77</b>	<b>341.75</b>	<b>784.15</b>	<b>0.00</b>

#### Primary Capital Programme

44	Aintree Davenhill PCP	2,488.65	2,135.57	45.00	0.00
45	Lander Road PCP	1,895.87	1,163.01	585.44	23.00
46	St Philips CE PS PCP	228.94	106.62	5.00	0.00
47	Christ Church CE PS PCP	566.89	433.10	6.19	0.00
48	Other Primary Capital Programme Schemes	5,277.25	2,593.75	908.30	0.00
<b>Total Primary Capital Programme</b>		<b>10,457.60</b>	<b>6,432.05</b>	<b>1,549.93</b>	<b>23.00</b>

#### Modernisation

49	Maghull High School - Maths/ Music Rooms	1,065.00	1.59	0.00	0.00
50	Crossens Nursery Relocation to Larkfield CP School	673.25	1.87	0.00	0.00
51	Farnborough Road School Kitchen / Dining Imps.	2,097.89	677.10	112.51	0.00
52	Kew Woods - New Classrooms	780.26	390.76	360.00	24.47
53	Other NDS Modernisation Schemes	429.59	0.00	429.59	0.00
<b>Total Modernisation</b>		<b>5,045.99</b>	<b>1,071.32</b>	<b>902.10</b>	<b>24.47</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### CHILDREN'S SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>School Access Initiative</u></b>					
54	Litherland HS - Hygiene Area/ Lift	277.78	9.90	0.00	0.00
55	Primary School Schemes	105.15	14.82	0.00	0.00
56	Stanley HS - Special needs base	69.44	51.55	0.00	0.00
57	Improved Access to the National Curriculum	72.00	52.39	0.00	0.00
58	Waterloo PS - SEN bases	224.50	11.95	0.00	0.00
59	Rowan Park Car Park	69.38	58.58	5.00	0.00
60	Waterloo PS - Lift Installation	69.35	64.35	5.00	0.00
61	Summerhill PS - DDA Compliance, Doors, Ramp	33.47	28.98	4.49	0.00
62	Merefield - one way system	80.00	40.00	40.00	0.00
63	Stanley HS mobile lifting device	8.00	8.00	0.00	0.00
64	Christ Church CE PS - improve accessibility	9.00	9.00	0.00	0.00
65	Maghull HS - evacuation lift	34.33	34.33	0.00	0.00
66	Other School Access Initiative Schemes	85.23	0.00	85.23	0.00
<b>Total Schools Access Initiative</b>		<b>1,137.63</b>	<b>383.85</b>	<b>139.72</b>	<b>0.00</b>
<b><u>New Pupil Places</u></b>					
67	Deyes High School - Repl. rotted windows	58.04	4.78	0.00	0.00
68	Oakfield PRU - Boiler Repl.	103.71	1.30	0.00	0.00
69	Shoreside Primary School Boiler Repl.	88.08	3.58	0.00	0.00
70	Crosby High School Car Park Imps.	20.35	1.03	0.00	0.00
71	Woodlands PS Kitchen Refurbishment	167.39	0.76	0.00	0.00
72	Northway PS Kitchen Refurbishment	110.17	13.97	0.00	0.00
73	Lydiate PS Kitchen Refurbishment	214.81	10.09	0.00	0.00
74	Hatton Hill Primary-Boiler Replacement	74.26	10.38	0.00	0.00
75	St Andrews Maghull - Repl of infant boiler	114.24	86.50	6.00	0.00
76	Shoreside PS Window Replacement	126.32	119.72	6.60	0.00
77	Hatton Hill PS Kitchen Refurbishment	155.58	150.58	5.00	0.00
78	Summerhill PS Kitchen Refurbishment	153.76	148.76	5.00	0.00
79	Valewood PS Kitchen Refurbishment	149.59	144.59	5.00	0.00
80	Valewood PS Roof Repairs	68.57	65.57	3.00	0.00
81	Larkfield PS Roof Repairs	89.86	86.86	3.00	0.00
82	Linacre PS Boiler Replacement	48.00	46.00	2.00	0.00

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### CHILDREN'S SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
83	Range HS Conversion of Oil Boiler to Gas	166.51	166.51	0.00	0.00
84	Stanley HS Boiler Replcaement	179.20	172.20	7.00	0.00
85	Shoreside Remodelling and new build	252.74	15.00	225.00	12.74
86	Other New Pupil Places Schemes	154.79	0.00	154.79	0.00
<b>Total New Pupil Places</b>		<b>2,495.97</b>	<b>1,248.18</b>	<b>422.39</b>	<b>12.74</b>

#### TCF 14-19 Diplomas

87	Birkdale High School	346.29	287.20	7.23	0.00
88	Chesterfield High School	125.32	120.32	5.00	0.00
89	Deyes High School	1,179.56	1,073.71	17.00	0.00
90	Formby High School	260.86	61.39	5.00	0.00
91	Greenbank High School	315.81	77.54	5.00	0.00
92	Hillside High School	236.87	205.16	5.50	0.00
93	Maghull High School	387.22	352.72	9.02	0.00
94	Meols Cop High School	269.00	53.24	0.00	0.00
95	Range High School	347.46	77.09	17.47	0.00
96	St George of England High School	60.00	56.60	3.00	0.00
97	Stanley High School	397.53	387.53	10.00	0.00
98	Christ the King RC High School	184.59	40.68	0.00	0.00
99	Holy Family RC High School	269.93	269.93	0.00	0.00
100	Maricourt RC High School	150.45	39.17	0.00	0.00
101	Sacred Heart RC College	266.70	266.70	0.00	0.00
102	Savio Salesian RC College	118.45	47.69	0.00	0.00
103	St Michael's High School	202.26	196.98	0.00	0.00
104	St Ambrose Barlow RC High School	137.54	137.54	0.00	0.00
105	St Wilfrid's RC High School	114.46	36.00	0.00	0.00
<b>Total TCF 14-19 Diplomas</b>		<b>5,370.30</b>	<b>3,787.19</b>	<b>84.22</b>	<b>0.00</b>

#### Surestart Grant Schemes

106	Early Years & Childcare 2008/09 - 2010/11	2,882.88	1,855.60	0.00	0.00
107	Summerhill PS -Construction of nursery	349.90	269.90	70.00	10.00
108	Ph 1 & 2 Children's Centres Maintenance	212.46	58.34	0.00	0.00
109	Valewood Children's Centre	337.92	41.99	0.00	0.00

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### CHILDREN'S SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
110	Freshfield Children's Centre	322.18	9.24	0.00	0.00
<b>Total Surestart Capital Grant</b>		<b>4,105.34</b>	<b>2,235.07</b>	<b>70.00</b>	<b>10.00</b>
-					
111	Children's PSS - Previous Years	290.09	46.20	0.00	0.00
112	Children's PSS - 2010/11	44.73	44.73	0.00	0.00
<b>Total Children's Personal Social Services</b>		<b>334.82</b>	<b>90.93</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL CHILDREN'S SERVICES SCHEMES</b>		<b>109,981.77</b>	<b>36,791.19</b>	<b>9,493.17</b>	<b>610.33</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### CORPORATE SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>Admin Buildings</u></b>					
1	Old & Completing Schemes	52.55	35.30	17.25	0.00
2	Disabled Facilities	400.00	29.88	0.00	0.00
3	Health & Safety Programme	250.00	40.96	52.11	0.00
4	Pleasureland Clearance / Demolition	400.00	0.00	68.45	0.00
5	Demolition of Bootle High School	235.00	6.93	0.00	0.00
6	Energy Efficiency Measures	250.00	188.82	50.00	0.00
7	Refurbishment of St. Peter's House	3,816.11	402.32	50.00	0.00
8	Balliol House Demolition	1,300.00	1,000.00	300.00	0.00
9	Property Intervention Fund	500.00	150.00	350.00	0.00
	<b>Total Admin Buildings</b>	<b>7,203.66</b>	<b>1,854.21</b>	<b>887.81</b>	<b>0.00</b>
<b><u>Vehicles,Plant,Equipment</u></b>					
10	IT Equipment - Server Replacement	90.00	0.00	48.31	0.00
11	E Government Priority Service Outcomes	400.00	11.14	44.76	0.00
12	I.T. Firewall Replacement	25.00	0.00	7.55	0.00
13	I.T. Members ICT & Mobile Technology	120.00	1.07	76.73	0.00
14	Procurement of Passenger Transport Mgmt System	45.00	45.00	0.00	0.00
15	Vehicle & Plant Replacements	1,084.50	1,084.50	0.00	0.00
	<b>Total Vehicles,Plant,Equipment</b>	<b>1,764.50</b>	<b>1,141.71</b>	<b>177.35</b>	<b>0.00</b>
<b>TOTAL CORPORATE SERVICES SCHEMES</b>		<b>8,968.16</b>	<b>2,995.92</b>	<b>1,065.16</b>	<b>0.00</b>

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## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### ENVIRONMENTAL

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b>Sefton Coastline Sea Defence Work</b>					
1	Crosby Park to Formby Point Strategic Study	253.88	12.75	0.00	0.00
2	CERMS - 2008/09 - 2010/11	1,255.00	655.42	0.00	0.00
3	Adaptation to Climate Change on the Sefton Coast	185.00	103.47	10.00	0.00
4	Hightown Management Project -Design/tender Prep.	70.00	38.44	0.00	0.00
5	Pathfinder Fund Programme - Boardwalks	91.00	81.00	10.00	0.00
<b>Total Sefton Coastline Sea Defence Work</b>		<b>1,854.88</b>	<b>891.08</b>	<b>20.00</b>	<b>0.00</b>
<b>Environmental</b>					
6	Gypsy and Traveller Sites	202.90	14.50	0.00	0.00
7	Waste Infrastructure	1,160.18	371.45	760.00	0.00
8	Claremont Ave. Maghull L.D. Investigation	35.00	35.00	0.00	0.00
9	Thornton & Lunt L.D. Investigation	39.00	39.00	0.00	0.00
10	Dobbs Gutter L.D. Investigation	41.00	41.00	0.00	0.00
11	Surface Water Management Plan (SWMP)	100.00	100.00	0.00	0.00
<b>Total Environmental</b>		<b>1,578.08</b>	<b>600.95</b>	<b>760.00</b>	<b>0.00</b>
<b>TOTAL ENVIRONMENTAL SCHEMES</b>		<b>3,432.96</b>	<b>1,492.03</b>	<b>780.00</b>	<b>0.00</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### HEALTH & SOCIAL CARE

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>COMMITTED SCHEMES</u></b>					
1	I.I.M Leasing 2003/2004	44.36	13.96	0.00	0.00
2	I.I.M Cap Grant 2006/07 - 07/08	172.78	8.01	4.00	0.00
3	Disability Discrimination Act	406.69	31.93	0.00	0.00
4	Mental Health SCE (R) - Ringfenced 05/06	130.70	1.28	0.36	0.00
5	Mental Health SCE (R) - Ringfenced 06/07	136.10	6.17	6.70	0.00
6	Mental Health SCE (R) - Ringfenced 07/08	140.48	1.53	9.10	0.00
7	Mental Health SCE (C) 2010/11	301.00	135.10	165.90	0.00
8	IT Strategy	805.06	45.61	337.00	129.06
9	Decontamination Unit	58.30	0.56	0.00	0.00
10	Independent Living Centre (Scarisbrick Avenue)	1,140.11	1,104.55	25.00	0.00
11	DAT Facility	85.13	66.37	0.00	0.00
12	Common Financial Assessment Project	150.00	112.91	0.00	0.00
13	Old & Completing Schemes	10.69	9.77	0.00	0.00
14	Piper Solo	150.00	0.00	52.33	0.00
<b>Total General</b>		<b>3,731.40</b>	<b>1,537.75</b>	<b>600.39</b>	<b>129.06</b>
<b><u>Provision for New Starts - Subject to report</u></b>					
15	Capital Investment for Transformation in Adult Social Care	197.00	0.00	197.00	0.00
<b>Total Provn. for new starts subj. to report</b>		<b>197.00</b>	<b>0.00</b>	<b>197.00</b>	<b>0.00</b>
<b>TOTAL HEALTH &amp; SOCIAL CARE SCHEMES</b>		<b>3,928.40</b>	<b>1,537.75</b>	<b>797.39</b>	<b>129.06</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### LEISURE SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>Leisure - General</u></b>					
1	Old and Completing Schemes	1,925.33	11.31	33.53	0.00
2	Hesketh Park	2,239.05	102.86	35.00	0.00
3	Maghull Leisure Centre	8,346.09	374.14	100.00	0.00
4	Southport Leisure Pool Visitor Attraction	9,135.00	3.06	0.00	0.00
5	Derby Park Refurbishment	929.65	0.00	47.02	0.00
6	Repairs / refurbishment of park lodges	101.00	49.32	14.00	0.00
7	Hesketh Park Office / visitor centre	50.00	0.00	50.00	0.00
8	Crosby Coastal Park	226.88	201.78	15.00	0.00
9	Waterloo Judo Club	553.65	6.00	6.44	0.00
10	Netherton Activity Centre	5,629.75	2,240.05	2,900.00	149.00
11	Southport Sports Park Contribution	382.00	0.00	382.00	0.00
12	Botanic Gardens Museum, Roof and Lift	25.00	0.00	25.00	0.00
13	Flue Gas Filtration Work at Southport Crematorium	999.78	589.93	170.00	0.00
14	Southport Cultural Centre	15,607.86	6,505.64	7,037.59	512.65
15	Duke Street Play Area, Formby	90.50	14.00	0.00	0.00
16	Browns Lane Allotments	50.00	10.00	20.11	0.00
17	Bootle Cemetery Improvements	70.00	60.13	0.00	0.00
18	Portland Street Changing Facilities	429.50	405.92	20.50	0.00
19	Tree Planting Contract 2009/10	195.50	175.50	10.00	10.00
20	Temporary Library Service	49.00	37.05	5.00	6.95
21	Kings Gardens	5,919.00	65.00	415.00	5,439.00
22	Leisure Centres Disabled Facilities	10.00	10.00	0.00	0.00
23	Improvements to Victoria Park, Crosby	116.22	29.18	87.04	0.00
<b>Total General</b>		<b>53,080.76</b>	<b>10,890.87</b>	<b>11,373.23</b>	<b>6,117.60</b>
<b><u>Tourism</u></b>					
24	Southport Pier - Programmed Maintenance	200.00	50.00	50.00	100.00
25	Southport Pier repair / decoration	132.07	2.01	0.00	0.00
26	Floral Hall Improvement Project	8,176.11	66.93	0.00	0.00
27	Southport T I C relocation	59.14	0.00	53.79	0.00
28	Ainsdale Beach Access	15.23	13.23	0.00	0.00
29	Southport Market Refurbishment	3,032.00	502.21	2,250.00	75.00
30	Southport Pier Structural Assessment	20.00	10.00	10.00	0.00
<b>Total Tourism</b>		<b>11,634.55</b>	<b>644.38</b>	<b>2,363.79</b>	<b>175.00</b>



# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### LEISURE SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>Southport Action Plan</u></b>					
31	Southport Marine Lake Improvements Zone 1	1,419.99	0.00	13.22	0.00
<b>Total Southport Action Plan</b>		<b>1,419.99</b>	<b>0.00</b>	<b>13.22</b>	<b>0.00</b>
<b>TOTAL LEISURE &amp; TOURISM SCHEMES</b>		<b>66,135.30</b>	<b>11,535.25</b>	<b>13,750.24</b>	<b>6,292.60</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### REGENERATION

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b><u>GENERAL</u></b>					
1	Development Fund	90.00	19.56	0.00	0.00
2	South Sefton Investment Centre	6,934.65	101.03	0.00	0.00
3	Crosby Lakeside Adventure Centre (CLAC)	8,946.00	22.84	0.00	0.00
4	Crosby Marine Lake - Water Quality Imprvmt.	1,162.00	54.31	0.00	0.00
5	Crosby Lakeside Adventure Centre- Fit-out costs	897.00	197.00	0.00	0.00
6	Southport Commerce Pk. - 3rd phase Devel.	884.00	0.00	884.00	0.00
7	Stepclever Property Project	2,398.74	232.31	2,076.94	0.00
8	CLAC - Adaptations & Equipment (AHDC)	80.00	80.00	0.00	0.00
9	Safer Stronger Communities Fund	39.85	39.85	0.00	0.00
10	REECH Project	7,170.62	0.00	3,515.89	3,654.73
11	Old Schemes final accounts	3.23	3.23	0.00	0.00
<b>Total General</b>		<b>28,606.09</b>	<b>750.13</b>	<b>6,476.83</b>	<b>3,570.48</b>
<b><u>HOUSING REGENERATION</u></b>					
<b><u>Disabled Facilities Grants</u></b>					
12	Previous Years' Approvals	78.26	78.26	0.00	0.00
13	2009/10 Approvals	3,389.31	1,477.27	195.01	0.00
14	2010/11 Approvals	2,997.07	1,692.47	1,304.60	0.00
<b>Total Disabled Facilities Grants</b>		<b>6,464.64</b>	<b>3,248.00</b>	<b>1,499.61</b>	<b>0.00</b>
<b><u>Home Improvement Grants</u></b>					
15	Previous Years' Approvals	13.34	13.34	0.00	0.00
16	2009/10 Approvals	406.35	68.56	0.00	0.00
17	2010/11 Approvals (inc.grant admin. fees)	151.00	151.00	0.00	0.00
<b>Total Home Improvement Grants</b>		<b>570.69</b>	<b>232.90</b>	<b>0.00</b>	<b>0.00</b>
<b><u>General</u></b>					
18	Drug Rehabilitation / Boscoe Hostel	1,280.00	62.65	0.00	0.00
19	Energy Efficiency Grants	337.53	13.19	0.00	0.00
20	Landlord Accreditation / HMO's	35.00	5.22	0.00	0.00
21	Green Business Project	302.89	36.29	0.00	0.00
22	Strategic Housing Market Assessment	61.15	10.00	0.00	0.00
23	Housing Act - Works in Default	35.00	19.43	0.00	0.00
24	Older Persons Hsg Strat.- extra care provn.	200.00	200.00	0.00	0.00
25	Affordable Housing Study	25.00	24.76	0.00	0.00
26	Gypsy anfd Traveller Accom. Provision	12.00	12.00	0.00	0.00
27	Choice based lettings - ICT procurement	50.00	0.00	50.00	0.00
28	Old Schemes	10.24	9.40	0.00	0.00
<b>Total General</b>		<b>2,348.81</b>	<b>392.94</b>	<b>50.00</b>	<b>0.00</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### REGENERATION

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
29	<u>Housing Market Renewal</u> Projects	4,230.61	2,284.00	1,946.61	0.00
30	Remediation	3,458.68	2,734.70	723.98	0.00
31	Acquisitions	5,969.00	4,568.00	1,401.00	0.00
32	Fees & Housing Management	2,536.00	1,582.50	953.50	0.00
33	Other	825.00	400.00	425.00	0.00
	<b>Total Housing Market Renewal</b>	<b>17,019.29</b>	<b>11,569.20</b>	<b>5,450.09</b>	<b>0.00</b>
	<b>TOTAL HOUSING REGENERATION</b>	<b>26,403.43</b>	<b>15,443.04</b>	<b>6,999.70</b>	<b>0.00</b>
	<b>TOTAL REGENERATION SCHEMES</b>	<b>55,009.52</b>	<b>16,193.17</b>	<b>13,476.53</b>	<b>3,654.73</b>

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### TECHNICAL SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
<b>New Construction</b>					
1	Thornton Switch Island Link Scheme	5,912.00	380.07	1,020.00	3,300.00
2	<b>Asset Management Development</b>	<b>69.10</b>	<b>69.10</b>	<b>0.00</b>	<b>0.00</b>
<b>Carriageways / Priority Maintenance</b>					
3	A5090 Hawthorne Rd	1,898.36	242.12	0.00	0.00
4	Old & Completing Schemes	6.97	6.97	0.00	0.00
<b>Carriageway Resurfacing</b>					
5	Lady Green Lane, Ince Blundell	73.66	73.66	0.00	0.00
6	Bleasedale Avenue, Aintree	12.29	12.29	0.00	0.00
7	A565 Lord Street, Southport	63.03	63.03	0.00	0.00
8	Liverpool Road, Lydiate	48.11	48.11	0.00	0.00
9	Brownmoor Lane, Lydiate	47.88	47.88	0.00	0.00
10	Foxhouse Lane, Maghull	43.38	43.38	0.00	0.00
11	Croxteth Avenue, Litherland	35.46	35.46	0.00	0.00
12	Palmerston Avenue, Litherland	37.08	37.08	0.00	0.00
13	Henley Drive, Southport	101.07	101.07	0.00	0.00
14	Curzon Road, Waterloo	28.75	28.75	0.00	0.00
15	The Serpentine South, Blundellsands Phase 1	25.00	25.00	0.00	0.00
16	The Serpentine South, Blundellsands Phase 2	53.23	53.23	0.00	0.00
17	Hall Lane West, Blundellsands	28.38	28.38	0.00	0.00
18	Warren Road, Blundellsands	13.42	13.42	0.00	0.00
19	Hermitage Grove, Bootle	21.13	21.13	0.00	0.00
20	A565 Albert Road, Southport	40.40	40.40	0.00	0.00
21	A565 Liverpool Avenue, Ainsdale	17.53	17.53	0.00	0.00
22	Hawthorne Road, Bootle	41.37	41.37	0.00	0.00
23	Merton Road, Bootle	78.00	78.00	0.00	0.00
24	Ormskirk Road, Aintree	42.51	42.51	0.00	0.00
25	Haileybury Avenue, Aintree	39.05	39.05	0.00	0.00
26	Roselea Drive, Southport	65.76	65.76	0.00	0.00
27	Barkeley Drive, Seaforth	24.83	24.83	0.00	0.00
28	Old Hall Road, Maghull	43.45	43.45	0.00	0.00
29	Marian Road, Litherland	8.48	8.48	0.00	0.00
30	Ronaldsway, Crosby	58.56	58.56	0.00	0.00
31	Deyes Lane, Maghull	40.99	40.99	0.00	0.00
32	Breeze Hill, Bootle Phase 1	72.00	72.00	0.00	0.00
33	Breeze Hill, Bootle Phase 2	39.12	39.12	0.00	0.00

# Agenda Item 7

## METROPOLITAN BOROUGH OF SEFTON

### ONGOING CAPITAL PROGRAMME

#### TECHNICAL SERVICES

1	2	3	4	5	6
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	Phasing of remaining expenditure		
			2010/11	2011/12	LATER YEARS
		£'000	£'000	£'000	£'000
34	Mircro Asphalt Surfacing	64.21	0.00	64.21	0.00
35	A565 Retentions	57.33	57.33	0.00	0.00
36	Capita Fees / Client Service Costs	125.14	125.14	0.00	0.00
<b>UTC Maintenance</b>					
37	Lulworth / Weld Rd, Birkdale	38.00	38.00	0.00	0.00
<b>Street Lighting</b>					
38	Marine Terrace, Waterloo	47.14	18.00	0.00	0.00
39	Stannyfield Drive, Thornton	43.00	43.00	0.00	0.00
40	Cast Iron, various sites, Southport	36.00	36.00	0.00	0.00
<b>Drainage</b>					
41	A565 Drainage	222.00	222.00	0.00	0.00
42	Northway, Maghull	59.00	0.79	58.21	0.00
43	Marine Drive, Southport	43.00	0.38	42.62	0.00
44	Capita Fees / Client Service Costs	55.00	55.00	0.00	0.00
<b>Total Carriageways / Priority Maintenance</b>		<b>3,939.07</b>	<b>2,088.65</b>	<b>165.04</b>	<b>0.00</b>
<b><u>Bridges and Structures</u></b>					
<b>Bridge Strengthening</b>					
45	Principal Bridge Inspections	33.00	33.00	0.00	0.00
46	Assessment - Retaining Walls	5.00	5.00	0.00	0.00
47	Hightown Station Footbridge Study	15.00	15.00	0.00	0.00
48	Parapet Strengthening	206.00	206.00	0.00	0.00
49	Rutherford Road	10.00	10.00	0.00	0.00
<b>Network Rail Structures</b>					
50	Miller's Bridge	75.00	48.00	27.00	0.00
51	Sussex Road	2.00	2.00	0.00	0.00
52	Norwood Road	20.00	20.00	0.00	0.00
53	Brook Vale	20.00	20.00	0.00	0.00
54	St. Lukes Rd Bridge Strengthening	930.83	208.00	0.00	0.00
55	Old and Completing Schemes	154.54	2.32	0.00	0.00
56	Capita Fees / Client Service Costs	33.00	33.00	0.00	0.00
<b>Total Bridges and Structures</b>		<b>1,504.37</b>	<b>602.32</b>	<b>27.00</b>	<b>0.00</b>
<b><u>Integrated Transport Programme</u></b>					
57	Current Schemes	3,116.45	2,681.35	435.10	0.00
<b><u>Other Schemes</u></b>					
58	Southport Cycle Town	560.00	560.00	0.00	0.00
59	Southport Cycle Town - Coastal Rd to Ainsdale	250.00	125.82	0.00	0.00
60	Highways Parking Improvements	100.00	0.00	100.00	0.00
<b>Total Other Technical Services Schemes</b>		<b>910.00</b>	<b>685.82</b>	<b>100.00</b>	<b>0.00</b>
<b>TOTAL TECHNICAL SERVICES SCHEMES</b>		<b>15,450.99</b>	<b>6,507.31</b>	<b>1,747.14</b>	<b>3,300.00</b>

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# Agenda Item 10

**REPORT TO:** Cabinet  
Council

**DATE(S):** 3 March 2011

**SUBJECT:** Council Tax Recommendation 2011/12

**WARDS AFFECTED:** All

**REPORT OF:** Margaret Carney  
Chief Executive and S151 Officer  
Tele: 0151 934 2057

**CONTACT OFFICER:** Jeff Kenah  
Corporate Finance Manager  
Tele: 0151 934 4104

**EXEMPT/CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To inform Cabinet of the level of levies and precepts set for 2011/12, and to request Cabinet to recommend a Council Tax for 2011/12 to Council.

**REASON WHY DECISION REQUIRED:**

The Council must set a budget and a Council Tax by 10 March 2011 at the latest.

The Council's Constitution, in accordance with Statute, requires the Cabinet to propose a budget to Council. The Council's budget proposal is contained in the Transformation and Budget report elsewhere on today's agenda. This report relates to the Council Tax increase for 2011/12.

**RECOMMENDATION(S):**

Cabinet is recommended to:

1. Note the impact of external levies set for 2011/12;
2. Note the precepts set by the Police Authority and the Fire and Rescue Authority for 2011/12;
3. Note the level of Parish Precepts set for 2011/12;
4. Note the capping principles that will that will apply to local authorities budgets for 2011/12.
5. Note the Parliamentary Under Secretary for Communities and Local Government's comments on the Council Tax Freeze Grant.
6. Propose a Council Tax to Council for 2011/12.

# Agenda Item 10

**KEY DECISION:** No, this report does not represent a key decision in itself but it does form an integral part of the budget process for 2011/12, which is a key decision for the Council.

**FORWARD PLAN:** No

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

**ALTERNATIVE OPTIONS:** There are no alternative options. The Council must set a budget and a council tax by 10 March 2011 at the latest.

**IMPLICATIONS:**  
**Budget/Policy Framework:** Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2011/12 and thereby shape the Council's financial plans that year.

**Financial:** See above.

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



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<b>Legal:</b>	The Council is required to set a Budget and Council Tax level by 10 March 2011.
<b>Risk Assessment:</b>	None associated with this report. Risks associated with the budget have been identified in the Transformation Programme reports which have been presented to Cabinet.
<b>Asset Management:</b>	There are no direct implications contained in the report. However there may be indirect implications which will be assessed as implementation of the budget progresses.

## CONSULTATION UNDERTAKEN/VIEWS:

## 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

Levy notification letters received from the following bodies:

- Merseyside Integrated Transport Authority
- Merseyside Waste Disposal Authority
- Environment Agency
- Mersey Port Health Authority
- North Western Inshore Fisheries and Conservation Authority

Precept notification letters from the Merseyside Police Authority and the Merseyside Fire and Rescue Authority.

Precept notification letters received from parish councils:

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## 1. Introduction

- 1.1. The Council is legally required to fix its budget and set a Council Tax for 2010/11 by 10 March 2011. A special budget Council has been arranged for 3 March 2011.
- 1.2. This report provides Cabinet with details of the amounts that will be paid to external levying bodies in 2011/12 and the level of precepts that have been set by the Police Authority, the Fire & Rescue Authority, and Parish Councils.
- 1.3. The report also sets out the capping principles that will apply to local authorities budgets for 2011/12 and clarifies the Government's position with regard to the payment of Council Tax Freeze Grant. Members are asked to note the level of Council Tax increase, above which, the Council will be considered for capping.
- 1.4. Elsewhere on the Cabinet agenda, the latest Transformation report sets out the latest financial position for the years 2011/12 to 2014/15, including the detail of the final proposals to balance the budget for 2011/12. That report includes an assumption of a 0% increase in Council Tax. Whilst the detail of the savings may ultimately vary from this position this report continues to assume a freeze in Council Tax for 2011/12. Consequently, this report recommends a Council Tax for 2011/12 on that basis to this evening's special budget meeting of the Council. Should an alternative Council Tax be approved a revised report will be presented.

## 2. Levying Bodies

- 2.1. The Council is required to pay levies to a number of external bodies. The final levy amounts to be paid in 2011/12 have been set and their impact on Sefton's budget compared to 2010/11 is shown in the table below:

<u>Levying Body</u>	2010/11 £	2011/12 £	Change £
Integrated Transport Authority	24,304,000	25,773,000	1,469,000
Waste Disposal Authority	12,974,007	12,974,007	0
Environment Agency	148,645	147,584	-1,061
Port Health Authority	99,500	79,500	-20,000
Inshore Fisheries and Conservation Authority	44,802	58,661	13,859
	37,570,954	39,032,752	1,461,798
<u>Associated Funding:</u>			
Concessionary Travel Grant transferred into Formula Grant	n/a	-1,425,000	-1,425,000
Integrated Transport Authority Equalisation payment	0	-252,000	-252,000
New Inshore Fisheries Conservation Authorities Grant	n/a	-13,859	-13,859
Impact on the Budget			-229,061

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2.2. The table above reflects the following changes in funding related to levies:

- Funding for the National Concessionary Travel Scheme was paid directly to the Integrated Transport Authority in 2010/11. This funding has been now been transferred into Formula Grant in 2011/12. The Local Government Finance Settlement indicated that Sefton's Formula Grant had been increased by £1.425m to reflect this funding change.
- The Integrated Transport Authority (ITA) Levy is allocated using the latest population estimates. This differs from the way in which the Government calculated the Concessionary Travel Funding transfer which is based on a new Relative Needs Formula. As a result some Merseyside authorities have experienced a larger increase in their levy than the increase in their Formula Grant. The ITA have agreed to make an equalisation payment in 2011/12 to neutralise the impact of the Concessionary Travel Funding transfer and to ensure that those authorities with falling populations receive the benefit of their relative population change.
- Under the provisions of the Marine and Coastal Access Act 2009, Sea Fisheries Committees (SFCs) will be replaced with Inshore Fisheries and Conservation Authorities (IFCAs) on 1 April 2011. The new IFCAs will have a much broader environmental remit than the old SFCs. A new Inshore Fisheries Conservation Authorities Grant will be paid to local authorities in 2011/12 to meet the cost of the IFCAs additional environmental duties. The net impact on the Council's bottom-line budget is therefore zero.

2.3 Members should note that the overall reduction on levies has been included within the budget proposals reported in the Transformation Report elsewhere on the agenda.

## 3. Precepts

### 3.1 Police and Fire & Rescue Authority Precepts

3.2 The Merseyside Police Authority and the Merseyside Fire and Rescue Authority both met on 17 February 2011 and set their budgets for 2011/12. The resulting precepts and Band D equivalent Council Tax charges for both Authorities are set out below. Both Authorities have frozen their Council Tax; the small variations in their precepts are due to a change in the Council Tax Base:

<u>Precept</u>	2010/11	2011/12	Change	
	£	£	£	%
Police Authority	13,606,740	13,610,490	3,752	0.03
Fire and Rescue Authority	6,027,034	6,028,527	1,493	0.03
<u>Council Tax (Band D)</u>				
Police Authority	146.23	146.23	0.00	0.00
Fire and Rescue Authority	64.77	64.77	0.00	0.00

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- 3.3 All Parish Council's have set their precepts for 2011/12. The total level of precepts has decreased from £982,891 in 2010/11 to £973,704 in 2011/12. Details of the precepts and the Band D equivalent Council Tax charge in each parish area are set out below:

	Precept			Band D		
	2010/11	2011/12	Change	2010/11	2011/12	Change
	£	£	£	£	£	£
Aintree Village	125,000	110,000	-15,000	54.90	48.10	-6.80
Formby	40,000	43,000	3,000	4.20	4.54	0.34
Hightown	3,750	3,750	0	4.20	4.22	0.02
Ince Blundel	1,500	1,650	150	7.84	8.48	0.64
Little Altcar	2,500	2,500	0	8.73	8.69	-0.04
Lydiate	149,862	149,862	0	66.63	66.31	-0.32
Maghull	634,279	635,142	863	88.85	88.85	0.00
Melling	18,000	18,000	0	16.46	16.48	0.02
Sefton	3,500	5,300	1,800	15.04	21.49	6.45
Thornton	4,500	4,500	0	5.50	5.49	-0.01
	<b>982,891</b>	<b>973,704</b>	<b>-9,187</b>			

## 4. Council Tax Capping 2011/12

- 4.1 On 10 February 2011, Bob Neill, the Parliamentary Under Secretary for Communities and Local Government, wrote to Local Authority Leaders informing them of the capping principles that will apply to local authorities budgets for 2011/12. A copy of his letter is attached as Annex A.
- 4.2 A local authority will be deemed to have set an excessive budget and Council Tax if both of the following principles are breached:
- its 2011/12 Budget Requirement is greater than 92.5% of its 2010/11 Budget Requirement, or Alternative Notional Amount where applicable; and
  - its Band D Council Tax in 2011/12 is increased by more than 3.5% compared with 2010/11.
- 4.3 The Government have calculated an Alternative Notional Amount for Sefton of £261,417,000 for 2010/11. Applying the 92.5% rule to this figure gives an indicative Budget Requirement of £241,810,725 for 2011/12.
- 4.4 Sefton's Band D Council Tax was set at £1,266.68 in 2010/11. A 3.5% increase in Council Tax to £1,311.01 would result in a net budget requirement of £247,873,546 (based on the Council Tax Base for 2011/12 of 93,075.91 which was approved by Cabinet on 27 January 2011).

Budget Requirement Calculation	£
Income from Tax Payers (Band D set @ £1,311.01)	122,023,449
Revenue Support Grant	29,815,039
Redistributed Business Rates	96,456,681
Collection Fund Deficit	-430,000
<b>Sefton only (excluding Parish Precepts)</b>	<b>247,865,169</b>

- 4.5 **The calculations shown above indicate that Sefton would be deemed to have set an excessive Budget Requirement if it were to raise its Council Tax by more than 3.5% in 2011/12.**

## 5. Council Tax Freeze Grant

- 5.1 Cabinet have previously been informed of the Government's offer to pay a Council Tax freeze grant equivalent to a 2.5% increase in Council Tax to those authorities that freeze or reduce their Band D Council Tax (net of any local precepts) in 2011/12. Bob Neill's letter to Local Authority Leaders on 10 February 2011 included a short information sheet intended to clarifying a number of issues raised by local authorities with regard to the Council Tax Freeze Grant. This can also be seen in Annex A.

- 5.2 In order to clarify the Government's position Bob Neill made the following comments in his letter:

'With regard to the Council Tax freeze, I remind authorities - for the avoidance of doubt - that they must freeze or reduce their Band D Council Tax (net of any local precepts) in 2011/12 in order to receive additional government grant equivalent to a 2.5% Council Tax increase. If an authority increases its basic rate of Council Tax by any amount, it will not be eligible for the freeze grant.'

- 5.3 If Sefton's Band D Council Tax is frozen at £1,266.68 in 2011/12, the Council will receive Council Tax Freeze Grant equivalent to a 2.5% increase in Council Tax, which would be worth £2,947,435 per annum for the next four years. Setting the Council Tax at this level would give rise to a budget requirement of £243,739,114 as shown in the table below:

Budget Requirement Calculation	£
Income from Tax Payers (Band D set @ £1,266.68)	117,897,394
Revenue Support Grant	29,815,039
Redistributed Business Rates	96,456,681
Collection Fund Deficit	-430,000
<b>Sefton only (excluding Parish Precepts)</b>	<b>243,739,114</b>

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## 6. Recommended Council Tax for 2011/12

- 6.1 The Council must set a budget and a Council Tax by 10 March 2011 at the latest. As Members are aware a special budget meeting has been arranged on the 3 March 2011. The Council's Constitution requires the Cabinet to propose a budget to Council. This proposal is contained within the Transformation report elsewhere on the agenda.
- 6.2 Members are asked to note the level of Council Tax Freeze Grant that would be received if Council Tax is frozen in 2011/12, and to note the level of Council Tax increase above which the Council will be considered for capping. Having noted these points and considered the Council's forecast financial position as part of the Transformation, Members are asked to recommend a Council Tax for 2011/12 to this evening's special budget meeting of the Council. The proposed Council Tax for 2011/12 is therefore: -

	£
Sefton	<b>1,266.68</b>
Police Authority	146.23
Fire and Rescue Authority	64.77
<b>Total</b>	<b><u>1,477.68</u></b>

## 7. Recommendations

- 7.1 Cabinet is recommended to:
1. Note the impact of external levies set for 2011/12;
  2. Note the precepts set by the Police Authority and the Fire and Rescue Authority for 2011/12;
  3. Note the level of Parish Precepts set for 2011/12;
  4. Note the capping principles that will that will apply to local authorities budgets for 2011/12.
  5. Note the Parliamentary Under Secretary for Communities and Local Government's comments on the Council Tax Freeze Grant.
  6. Propose a Council Tax to Council for 2011/12.

## ANNEX A

**Letter from Bob Neill MP, Parliamentary Under Secretary, Department for Communities and local Government, 10 February 2011.**

Dear Colleague,

### **COUNCIL TAX INCREASES IN 2011-12 - CAPPING PRINCIPLES**

Council tax bills have more than doubled since 1997 and the Government believes that it is about time that the hard pressed council tax payer was given some relief. We have already announced that we are setting aside £650 million so that every local, police and fire & rescue authority can freeze council tax in 2011-12 without hitting local services.

The Government anticipates that authorities will choose to take up the freeze in 2011-12. Nevertheless, should any authority choose not to participate in the freeze scheme and then go on to set an excessive increase, the Government reserves the right to take capping action.

The Secretary of State yesterday made a statement to the House of Commons announcing the capping principles that will apply in 2011-12. These are that an authority's budget requirement in 2011-12 will be excessive **if**:

- **its 2011-12 budget requirement is greater than 92.5% of its 2010-11 budget requirement, or Alternative Notional Amount where applicable; and**
- **its Band D council tax in 2011-12 is increased by more than 3.5% compared with 2010-11.**

Different principles will apply to the Greater London Authority, Central Bedfordshire Council and Shropshire Council. This is because those authorities calculate their council tax in different ways from other authorities. However, I can confirm that the policy aim of the capping principles for 2011-12 is the same for all authorities. The attached Written Ministerial Statement sets out full details of the principles.

On 9 February, "The Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2011/12" was approved by the House of Commons. The Report includes alternative notional amounts for 2010-11 for all authorities other than fire and rescue authorities. Where applicable these alternative notional amounts will be used when comparing an authority's budget requirement in 2010-11 with its budget requirement in 2011-12. The report can be found at:

<http://www.local.communities.gov.uk/finance/1112/anarpt.pdf>

The Localism Bill includes provisions to abolish capping and instead introduce referendums to allow local people to approve or veto excessive council tax increases.

It is expected that these provisions will come into force from 2012-13 onwards. Decisions on council tax increases in 2011-12 remain a matter for each individual authority. Nevertheless, I trust that this letter makes clear the context within which these decisions should be taken.

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## Council tax freeze

**With regard to the council tax freeze, I remind authorities - for the avoidance of doubt - that they must freeze or reduce their Band D council tax (net of any local precepts) in 2011-12 in order to receive additional government grant equivalent to a 2.5% council tax increase.** If an authority increases its basic rate of council tax by any amount, it will not be eligible for the freeze grant. An information sheet, which addresses a number of issues raised by authorities' is attached at **below**.

BOB NEILL MP

<b>COUNCIL TAX FREEZE: CLARIFICATION OF ISSUES RAISED BY AUTHORITIES</b>
--

## Eligibility for the scheme

The broad intention is that an eligible authority that freezes or reduces its Band D council tax in 2011-12 will receive an additional grant equivalent to them having set a 2.5% increase from their 2010-11 level. Specifically, the scheme refers to Band D council tax as an authority's basic amount of council tax.

## Special expenses

All special items (other than parish precepts) are included in an authority's basic amount of council tax. Therefore, the average of all an authority's special items (including its special expenses) over the whole of its area is the amount that will be used to judge eligibility for the grant.

## Parishes

The scheme will not apply to local precepting authorities. There are some 10,000 town and parish councils in England and the Government does not consider it practical or efficient to introduce a system for allocating Central Government grants to the parish sector. The Government also has no power either to pay grant directly to local precepting authorities or to another authority to pass on to them.

## Payment of grants over the Spending Review period

Any grant paid to an authority for freezing or reducing its council tax in 2011-12 will be matched exactly in each subsequent year of the Spending Review to compensate for the income foregone for a freeze. Authorities will not have to continue to freeze or reduce their council tax from 2012-13 to continue to receive this grant.

## How to accounting for the freeze grant

Although eligible authorities will wish to take into account the additional income from the grant when setting their budgets, it should be treated as a specific grant within Aggregate External Finance, and thus does not need to be shown in the authority's Budget Requirement (BR) form.



## WRITTEN PARLIAMENTARY STATEMENT ON 9 FEBRUARY 2011

### Council Tax

#### **The Secretary of State for Communities and Local Government (Mr. Eric Pickles):**

On 13 December, I indicated that when the House debated the final local government finance report I would set out council tax capping principles that will apply to local authorities' budgets for 2011-12. I am therefore now informing the House that I will consider an authority to have set an excessive increase if:

- a) the amount calculated by the authority as its budget requirement for 2011-12 is more than 92.5% of-
  - (i) the authority's alternative notional amount; or
  - (ii) where no such amount has been specified for the authority, the authority's budget requirement for 2010-11; and
- b) (b) the amount calculated by the authority as its band D council tax for 2011-12 is more than 3.5% greater than the same amount calculated for 2010-11 (except see below).

Different principles will apply to the Greater London Authority (GLA), and to the Councils of Central Bedfordshire and Shropshire. The reasons for this are-

- in the case of the GLA, because the authority calculates its council tax in a different way from other authorities<sup>2</sup>, and
- in the case of Central Bedfordshire and Shropshire, because the authorities set their basic amounts of council tax for 2010-11 under part 4 of the Local Government (Structural Changes) (Finance) Regulations 2008<sup>3</sup> and may do so again for 2011-12.

My officials will write to these three authorities separately with further technical details about how the principles applicable to them will operate. However, I can confirm that the policy aim of the capping principles for 2011-12 is the same for all authorities and that the principles for the GLA, Central Bedfordshire and Shropshire are designed to ensure that appropriate comparisons can be made between the Band D council tax set by those authorities in 2010-11 and 2011-12.

I am this year announcing these principles before the dates by which authorities have to set their budgets. This contrasts with the approach of the previous Government, which always required authorities to wait and see whether the council tax they had set would be considered excessive by reference to principles not decided until after the deadlines for setting their budgets had passed.

Moving forward, the Government intends to end the capping regime and replace it with a more democratic and localist measure to allow local residents to veto excessive council tax rises via a local referendum.

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# Agenda Item 11

**REPORT TO:** Cabinet Member - Technical Services  
Cabinet

**DATE:** 23<sup>rd</sup> February 2011  
3<sup>rd</sup> March 2011

**SUBJECT:** Thornton to Switch Island Link  
Progress Update, Revised Project Management  
Arrangements, Scheme Programme and Cost Profile

**WARDS  
AFFECTED:** Park, St Oswald, Netherton and Orrell, Molyneux, Manor,  
Sudell

**REPORT OF:** Andy Wallis, Planning and Economic Development Director

**CONTACT  
OFFICER:** Stuart Waldron Assistant Director  
0151 934 4006  
Stephen Birch Team Leader STPU  
0151 934 4225

**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To advise Members of current progress with the scheme, including the responses from Government to the Council's Best and Final Funding Bid and the planning application. To seek Members' approval to accept the Government's funding offer, to initiate the next stages of the project, including land acquisition and of the revised project management arrangements. To advise Members of the current scheme programme and cost profile.

**REASON WHY DECISION REQUIRED:**

To keep Members fully apprised of progress and to seek approval to accept the funding offer and to proceed with the next stage of the scheme, including land acquisition, and to changes in project management arrangements and to confirm the current programme and cost profile for the scheme.

**RECOMMENDATION(S):**Cabinet Member Technical Services:

- i) notes the report and supports the recommendations to Cabinet.

Cabinet:

- i) note the Department for Transport's acceptance of the Council's Best and Final Funding Bid for the scheme.

# Agenda Item 11

- ii) approve the acceptance of the Terms and Conditions of the proposed Government funding for the scheme and increase the cost of the scheme in the Capital Programme by £14.5m **to be funded by the Department for Transport grant.**
- iii) note the Government Office response to the planning application for the scheme confirming that they do not require a Public Inquiry to be held to consider the planning issues.
- iv) note the progress in the preparation of the necessary statutory Orders for the scheme.
- v) gives approval for the activities that were put on hold in June 2010 to be re-commenced, including land acquisition.
- vi) approves the start of work on the next stage of the scheme.
- vii) approves the revised Project Management arrangements and Project Board for the scheme.
- viii) note the revised programme for the scheme.
- ix) note the revised spend profile for the scheme.

**KEY DECISION:**

Yes

**FORWARD PLAN:**

Yes

**IMPLEMENTATION DATE:**

Following the expiry of the 'call in 'period for the minutes of the meeting

**ALTERNATIVE OPTIONS:**

N/A

**IMPLICATIONS:**

**Budget/Policy Framework:**

Cabinet approved the spend profile for the scheme for 2009/10 – 2012/13, totalling £5.912m on the 1<sup>st</sup> October 2009. The allocations were included in the Capital Programme 2010/11 – 11/12 approved by Cabinet on the 4<sup>th</sup> March 2010. Revised allocations for 2011/12 – 2012/13 are being presented to Cabinet as part off the Capital Programme on 3<sup>rd</sup> March 2011.

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**Financial:** Proposed commitment contained within Council's previously approved allocation in the medium term financial plan. A revised funding profile for the Council's allocation is provided in this report.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>	<b>2013/ 2014 £</b>
Gross Increase in Capital Expenditure			7,000	7,500
Funded by:				
Sefton Capital Resources				
Specific Capital Resources			7,000	7,500
<b><u>REVENUE IMPLICATIONS</u></b>				
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:** The proposed funding from the Department for Transport is dependent on the scheme proceeding as planned. Should the scheme not proceed, any costs incurred by the Council may be classed as abortive. Capital accounting rules require that abortive costs are charged to revenue which would require them to be funded from the General Fund Balances.

Acceptance of the Council's funding bid by the Department for Transport, means that the DfT contribution will be fixed at the proposed amount. This means that the Council will be responsible for any additional costs arising from the project, such as costs associated with changes in the project or any overspend. Should any overspend exceed the contingency that has been retained within the proposed scheme budget, additional capital resources would be required.

**Asset Management:** N/A

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## CONSULTATION UNDERTAKEN/VIEWS

The Interim Head of Corporate Finance & Information Services has been consulted and his comments have been incorporated into 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

Cabinet - 17<sup>th</sup> May 2007 – Thornton Switch Island Link Scheme – Funding

Cabinet - 29<sup>th</sup> November 2010 – Thornton Switch Island Link – Funding

Cabinet - 2<sup>nd</sup> October 2008 – Thornton Switch Island Link – Programme Entry

Cabinet - 1<sup>st</sup> October 2009 – Thornton Switch Island Link Commissioning Report/  
Revised Project Management/Programme and scheme cost profile

Cabinet - 10<sup>th</sup> June 2010 – Thornton Switch Island Link – Current Situation

Cabinet - 15<sup>th</sup> December 2010 - Thornton Switch Island Link – Best and Final Funding Bid

## 1.0 Background

- 1.1 A report to Cabinet on the 10<sup>th</sup> June 2010 advised that the new Government was to review all spending plans for major schemes approved by the previous administration. This included the Thornton Switch Island Link Road scheme. Cabinet agreed to permit the submission of the Planning Application and preparation of statutory Orders to proceed, but all other work on the scheme was halted. The Planning Application was submitted in July 2010.
- 1.2 On 29<sup>th</sup> October 2010 the Department for Transport (DfT) advised the Council that further to the Government's announcement of the outcome of the Spending Review on 20<sup>th</sup> October 2010, plans for major schemes had been announced. Thornton to Switch Island Link was placed in the Supported Pool. This meant the DfT was prepared to fund the scheme subject to the Council submitting a 'best and final funding bid'. The Department expected the Council to demonstrate in this bid that all opportunities for cost savings and value maximisation had been explored and incorporated into the funding package.
- 1.3 On 11<sup>th</sup> November 2010 the Council received further guidance and a form for submission of the Council's 'Best and Final Funding Bid'. The bid had to be submitted by Tuesday 4<sup>th</sup> January 2011. The Council's Bid was prepared by the project team and submitted to Cabinet for consideration on 15<sup>th</sup> December 2010. The proposed Best and Final Funding Bid was approved by Cabinet and submitted to the DfT.
- 1.4 The Planning Application for the scheme was considered by Sefton Council's Planning Committee on the 15<sup>th</sup> December and was recommended for approval, subject to a response from the Secretary of State about whether a Public Inquiry would be required. The details of the application and the Council's decision were provided to Government Office North West requesting a decision about the need for a Public Inquiry.
- 1.5 The purpose of this report is to:
  - Advise Members of the response from the Government to the Council's Best and Final Funding Bid and the decision about whether a Public Inquiry is required.
  - Advise Members of progress in the delivery of the scheme and the next stages of the project.
  - Seek approval for revised Governance arrangements due to the early retirement of the Council's designated Project Manager (Senior Responsible Owner).
  - Seek approval for work to resume on the activities that were suspended in June 2010, specifically including the land acquisition process, and to proceed with the next stages of the scheme.

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- Advise Members of the revised Programme and Funding Profile.

## 2.0 Government response to funding bid and planning application

- 2.1 On 4<sup>th</sup> February 2011, the DfT advised that Sefton Council's Best and Final Funding Bid for the Thornton to Switch Island Link scheme had been approved and that funding for the scheme was confirmed. The funding approval letter from the DfT is provided as Annex 1.
- 2.2 The letter from the DfT describes the Terms and Conditions of the funding offer and requests written confirmation of the Council's acceptance of the funding offer and the terms and conditions of the offer. The letter confirms that the DfT will provide a maximum capped funding contribution of £14.5m towards the estimated scheme cost of £18.588m. The contribution will be paid as capital grant under Section 31 of the Local Government Act 2003.
- 2.3 To date, the Council's allocated funding for the scheme has been included in the Council's medium term capital programme. Now that the confirmation of Government funding has been received, the full capital cost, including the Government contribution needs to be identified in the capital programme.
- 2.4 On 24<sup>th</sup> January 2011, Government Office North West advised the Council's Planning Department that they did not intend to 'call in' the proposal for a Public Inquiry. Their letter states, "*Having carefully considered the relevant planning issues raised by this proposal, together with the representations received by the Council from interested parties, we have concluded that the Secretary of State's intervention would not be justified.*" Consequently, the Council issued notice of the granting of planning permission on 26<sup>th</sup> January 2011.
- 2.5 Recommendation
- i) Members note the Department for Transport's acceptance of the Council's Best and Final Funding Bid for the scheme.
  - ii) Members approve the acceptance of the Terms and Conditions of the proposed Government funding for the scheme and increase the cost of the scheme in the capital programme by £14.5m to be funded by the Department for Transport grant.
  - iii) Members note the Government Office response to the planning application for the scheme confirming that they do not require a Public Inquiry to be held to consider the planning issues.



## **3.0 Scheme progress and next stages**

- 3.1 As part of the process of preparing the Council's Best and Final Funding Bid, a detailed review of the scheme costs was undertaken. A review of the scheme risk register and the proposed programme was also undertaken as part of the Bid development.
- 3.2 In accordance with the Cabinet decision of the 10<sup>th</sup> June, work has also commenced on the statutory procedures to progress a Side Roads Order and a Compulsory Purchase Order. A Side Roads Order is required for the closure of roads that cross the proposed route, footpath diversions and to connect the new link into the existing highway network. A Compulsory Purchase Order is required if it proves impossible to secure purchase of land by negotiation with landowners.
- 3.3 The project team is currently preparing draft Side Roads Order (SRO) and Compulsory Purchase Order (CPO) and completing a schedule of interests that is required to accompany the CPO. In addition, a draft Statement of Reasons for the CPO is also being prepared. Once the draft Orders have been reviewed and completed, they will be presented to Cabinet with a recommendation to approve the publication of the draft Orders. The timing for this process is described in Section 5 below.
- 3.4 Following publication of the draft Orders, interested parties have the opportunity to object to the Orders. Any objections will be considered by the Secretary of State for Transport, who will decide whether a Public Inquiry is required. It would be possible for an Inquiry to be called for either or both of the statutory Orders.
- 3.5 In parallel with the development and publication of the draft CPO, negotiations will be undertaken with landowners to try and acquire the land needed for the scheme by agreement. If all the land needed can be secured by agreement with landowners, there will be no need for a CPO. In June 2010, Cabinet determined that negotiations with landowners should be put on hold. Now that funding approval from the DfT has been obtained, it is important that the negotiations with landowners are resumed.
- 3.6 Once the Orders process has been completed, the detailed design of the scheme will be completed. This will involve the development of the existing design and finalising details of the specific elements of the scheme, including carriageway construction, kerbs, verges, lighting, traffic signals and landscaping and other environmental mitigation measures. As part of this process, a detailed target cost for the construction of the link road will be prepared. This target cost will be submitted to Cabinet for approval before construction works can start on the road.

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## 3.7 Recommendation

- (iv) Members note the progress in the preparation of the necessary statutory Orders for the scheme.
- (v) Cabinet gives approval for the activities that were put on hold in June 2010 to be re-commenced, including land acquisition.
- (vi) Cabinet approves the start of work on the next stage of the scheme.

## 4.0 Governance arrangements

- 4.1 The Department for Transport expect formal and comprehensive Project Management procedures to be in place throughout the duration of the project. Cabinet at the meeting on the 8th February 2007 approved Project Management arrangements based on the Office of Government Commerce (OGC) methodology "Managing Successful Projects with Prince 2". This process requires management levels and key responsibilities to be formally recognised, and the establishment of a Project Board involving representatives of the Council, delivery partners and prospective users of the project. To date these arrangements have proved very positive in managing the delivery of the scheme.
- 4.2 The Senior Responsible Owner is the Council's Contract Project Manager, chairs the Project Board and provides the senior link with the Department for Transport. Cabinet at the meeting of the 1<sup>st</sup> October 2009 approved that the duties and responsibilities of the Contract Project Manager be delegated to the Assistant Director (Transportation & Development) Planning & Economic Regeneration Department. The Assistant Director has continued to fulfil this role since then, but this Assistant Director post will be deleted at the end of March 2011.
- 4.3 It will be important to maintain the responsibility at an appropriate level both within the project team and in liaison with DfT. It is therefore proposed that the designated officer for the role of Senior Responsible Owner and Sefton Council Contract Project Manager within the Project Management structure for the scheme be amended to the Director Environmental Services. The DfT will be advised accordingly.
- 4.4 Recommendation
  - (vii) Cabinet approves the revised Project Management arrangements and Project Board for the scheme.

## 5.0 Scheme Programme

- 5.1 The scheme programme was reviewed following the preparation of the Best and Final Funding Bid. The following key programme dates have been identified :

Cabinet approval of draft Orders (SRO, CPO)	April 2011
Publish draft Orders (SRO, CPO)	April 2011
SoS decision on need for Orders Inquiry	July 2011
Public Inquiry (if required)	Jan 2012
SoS Decision following Inquiry	May 2012
Approval of target cost	Oct 2012
Construction start	Nov 2012
Construction complete	Nov 2013
Scheme open to traffic	Dec 2013

- 5.2 Recommendation

(viii) Members note the revised programme for the scheme.

## 6.0 Scheme Costs

- 6.1 Cabinet on the 17th May 2007, approved a council contribution to the Thornton to Switch Island Link scheme of £5.912m over the financial years 2008/09 to 2012/13. The profile of the Council's commitment has been reported to Cabinet at the following meetings to keep the Medium Term Financial Plan up-to-date: 17th May 2007, 29<sup>th</sup> November 2007, 2<sup>nd</sup> October 2008, 1<sup>st</sup> October 2009 and 10<sup>th</sup> June 2010.
- 6.2 With the inclusion of the scheme by the new Government in the 'Supported Pool' of major schemes, the DfT have introduced revised funding arrangements. The DfT requested Local Authorities to identify a fixed contribution from the DfT that cannot be altered in the future and that showed a reduction on the amount previously approved at Programme Entry stage. This would mean that any additional costs after the funding package is approved will fall on the Council as promoting authority.
- 6.3 The Council's Best and Final Funding Bid was prepared on this basis and was approved by Cabinet on 16<sup>th</sup> December 2010. As part of the cost evaluation carried out for the preparation of the BAFFB, it was proposed that the Council's contribution to the scheme could be increased, but with the overall

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allocation remaining unchanged. Based on the BAFFB, the Council's funding can therefore be summarised as:

	Total Approved £'m	August 2009		February 2011	
		Spend to Date £'m	Spend Profile £'m	Spend to Date £'m	Spend Profile £'m
2007/08	-	-	-	-	-
2008/09	0.830	0.114	0.114	0.114	0.114
2009/10	0.958	0.051	1.122	1.098	1.098
2010/11	0.512		0.712	0.364	0.380
2011/12	1.597		1.949		1.020
2012/13	2.015		2.015		3.000
2013/14					0.300
<b>Total</b>	<b>5.912</b>	<b>0.165</b>	<b>5.912</b>	<b>1.576</b>	<b>5.912</b>
Local Authority Contribution				£4.088m	
Ineligible Costs				£0.650m	
Contingency				£1.174m	
<b>TOTAL</b>				<b>£5.912m</b>	

6.4 Based on the indicative programme a revised spending profile for the Council's contribution is proposed. This is provided in the table below.

6.5 Recommendation

(ix) Members note the revised spend profile for the scheme.

## 7. Conclusions

7.1 The Council has been promoting this scheme for many years and there is overwhelming public support for the scheme, as demonstrated by the public consultations undertaken over recent years.

7.2 The Government has fully recognised the benefits and value for money the scheme offers by approving the Council's funding bid. The scheme proposals are considered deliverable within the current allocation in the Council's Capital Programme.

## Department for **Transport**

Mr Stuart Waldron  
Assistant Director, Transportation and  
Development  
Sefton Council  
Planning & Economic Development  
1<sup>st</sup> Floor  
Magdalen House  
30 Trinity Road  
Bootle  
Merseyside L20 3NJ

Charlie Sunderland  
Regional & Local Major Projects Division  
Zone 3/29  
Great Minster House  
76 Marsham Street  
London  
SW1P 4DR

Direct line: 020 7944 8810

Web site: [www.dft.gov.uk](http://www.dft.gov.uk)  
E-mail: [charlie.sunderland@dft.gsi.gov.uk](mailto:charlie.sunderland@dft.gsi.gov.uk)

4 February 2011

- 7.3 It is important to move to the next stage of scheme delivery and re-commence activities that were suspended in June 2010. The next stage of the scheme is to proceed with the preparation of statutory Orders and negotiation with landowners for the purchase of land by agreement.

Dear Mr Waldron,

### **THORNTON TO SWITCH ISLAND SCHEME – FUNDING APPROVAL AND RECONFIRMATION OF PROGRAMME ENTRY**

Following the receipt of your Best and Final Funding Bid dated 22 December 2010 for the above scheme and following the consideration of that bid as set out in the Department's Spending Review statement "*Investment in Local Major Transport Scheme*", this letter confirms that Ministers have agreed to provide Sefton Council, the funding requested, subject to the following conditions and reconfirm Programme Entry for the scheme. This allows your Authority to complete the negotiation of all the remaining legal and procurement processes (but not enter into contractual or other legal commitments) following which a request for Full Approval, or Conditional Approval if procurement has yet to be finalised, can be made. Once Full Approval has been granted the required contractual and other legal commitments can be entered into.

#### **DfT Funding**

As part of this approval the Department will provide a maximum capped funding contribution of **£14.5m** towards the estimated total scheme cost of **£18.588m**. This figure is inclusive of preparatory costs and no further funding will be provided by the Department for this scheme. Should Full Approval of your scheme be granted, funding will be paid as capital grant under Section 31 of the Local Government Act 2003 to an indicative profile to be agreed.

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## Terms and Conditions of Funding

This offer of funding is subject to the following conditions:

- i. This funding approval is granted entirely without prejudice to any view that the Secretary of State or other Ministers may take on any future application for statutory powers or in accordance with any other functions.
- ii. The scheme must be implemented in accordance with the scheme proposals as set out in your Best and Final Funding Bid, subject to any changes which may occur as a result of further design or as a result of any remaining statutory procedures. Ministers reserve the right to reconsider their decision on funding if there are any changes to the overall cost, scope or design of the scheme which they consider to be material, particularly where such changes would alter the value for money of the scheme. You must notify the Department immediately of any such material changes.
- iii. Ministers also reserve the right to ask for a proportionate review of delivery, procurement and evaluation arrangements before granting Full Approval.
- iv. The Department's contribution will be a maximum of **£14.5m**. This figure is inclusive of preparatory costs and no further funding will be provided by the Department. Sefton Council is solely responsible for meeting any expenditure over and above this amount.
- v. Should this scheme progress to Full Approval, further detailed conditions would apply to any grant payable. These may include matters not yet discussed with you, and may typically include conditions similar to those shown on the attached sheet titled 'Standard Conditions of Grant for DfT Major Schemes'. As set out in these grant conditions it is expected that grant would be claimed quarterly in arrears on the basis of actual work done.
- vi. This offer of funding is conditional upon grant being claimed within the Spending Review Period i.e. up to and including 2014/15. Ministers reserve the right to reconsider their decision on funding if, for any reason, including delay to the remaining legal and procurement processes, the timescale for funding of this scheme changes sufficiently such that the grant cannot be claimed in full before 2014/15.
- vii. Sefton Council will be solely responsible for the validity of the procurement process for the scheme.
- viii. We expect you to keep us closely informed of progress with, and expenditure on, the scheme and it is important that you complete and return quarterly monitoring forms by the due date.
- ix. You will be required to carry out a full evaluation of the scheme, the details of which we would wish to discuss with you. We would expect you to make the results of this evaluation available to the Department.

I should be grateful for written confirmation that Sefton Council agrees to these conditions, including certification from your Section 151 Officer that the Council accepts the above terms and conditions.

## **Full Approval**

No grant may be claimed until the Department has confirmed Full Approval status for this scheme. Your formal request to the Department for Full Approval will need to include:

- confirmation of the overall cost and scope of the scheme;
- a declaration that that you have acquired all the necessary statutory powers to construct the scheme;
- confirmation that you have completed the procurement process to a stage where you have a preferred bidder and a firm and final offer; and
- confirmation from your S151 officer that Sefton Council has the ability to cover all remaining funding required over and above the capped Departmental amount including any additional funding required as a result of the remaining legal and procurement processes.

I look forward to receiving a bid for Full, or Conditional Approval, once any remaining legal and procurement processes have been satisfactorily completed.

Yours sincerely,

**Charlie Sunderland**

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# Agenda Item 12

**REPORT TO:** Cabinet Member Technical Services  
Cabinet

**DATE:** 23<sup>rd</sup> February 2011  
3<sup>rd</sup> March 2011

**SUBJECT:** Merseyside Local Transport Plan Preferred Strategy and Outline  
Sefton Implementation Programme

**WARDS** All

**AFFECTED:**

**REPORT OF:** Andy Wallis - Planning & Economic Development Director

**CONTACT OFFICER:** Stuart Waldron, Assistant Director Transport & Spatial Planning  
0151 934 4006  
Stephen Birch, Team Leader STPU  
0151 934 4225  
Keith Davies, Principal Officer LTP Co-ordination  
0151 934 4260

**EXEMPT/** No

**CONFIDENTIAL:**

## **PURPOSE/SUMMARY:**

To endorse the Merseyside Local Transport Plan and to approve Sefton Council's four year outline LTP Implementation Programme

## **REASON WHY DECISION REQUIRED:**

The third Merseyside Local Transport Plan (LTP) comes into effect from the 1<sup>st</sup> April 2011. Final responsibility for the LTP rests with the Integrated Transport Authority (ITA) (Merseytravel), but the LTP requires the support and endorsement of the individual local authorities.

The LTP is required to include an Implementation Programme, which will provide the basis for the 2011/12 LTP Capital Programme and future annual programmes. Cabinet Member has delegated powers to approve the annual Local Transportation Capital Programme so the outline programme on which it will be based needs to be approved.

## **RECOMMENDATION(S):**

It is recommended that Cabinet Member Technical Services:

- i) Notes the report and supports the recommendations to Cabinet.

It is recommended that Cabinet:

- i) Endorses the Merseyside Local Transport Plan Preferred Strategy
- ii) Approves the proposed four year outline Sefton LTP Implementation Programme

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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 meeting

**ALTERNATIVE OPTIONS:**

The LTP needs the support of the local authority partners and it is required to include an implementation programme so there are no viable alternative options.

**IMPLICATIONS:**

**Budget/Policy Framework:**

**Financial:** The report includes details of the LTP3 settlement and outline proposed LTP programme. The LTP3 allocations for both Integrated Transport and Maintenance will be provided to Merseytravel. Merseytravel will then transfer the allocation to the local authorities. The allocation is based on the approach agreed by the LTP Committee of the ITA on 11<sup>th</sup> January 2011. The maintenance allocations will be provided to the local authorities in accordance with the DfT formulaic allocations. The integrated transport block is shared 50% to Merseytravel and the remaining 50% shared among the local authority partners. Sefton's share of the total is 8.54%. It is not yet known whether any conditions would be placed on the transfer of the allocation from Merseytravel, for example to ensure that the allocation is only used for transport schemes.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
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	When?			
How will the service be funded post expiry?				

**Legal:**

**Risk Assessment:**

**Asset Management:**

## CONSULTATION UNDERTAKEN/VIEWS

The Interim Head of Corporate Finance & Information Services has been consulted and has no comments on this report. **FD662 /2011**

## 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 Member 23/09/09 and Cabinet 01/10/09 – Third Local Transport Plan – LTP3 – 2011 onwards  
 Report to Cabinet Member 1<sup>st</sup> December 2010 – “Priorities for LTP3”

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## 1.0 Background

- 1.1 The Merseyside Local Transport Plan (LTP) provides a long term transport strategy and short term implementation plan in accordance with the Government's requirements for transport planning. In metropolitan areas, a joint LTP is produced, which is primarily the responsibility of the Integrated Transport Authority (ITA) prepared in partnership with the local authorities. On Merseyside, the LTP is being prepared by the Merseyside Transport Partnership (MTP) comprising the ITA (Merseytravel) and the five Merseyside local authorities. The second LTP covered the period from 2005/06 to 2010/11 and expires at the end of March 2011. The Merseyside Transport Partnership (MTP) is submitting a new (third) LTP to take effect from April 2011.
- 1.2 The work completed so far on LTP3 has been managed through the LTP Support Unit and has been conducted mainly at a Merseyside level. This has resulted in the preparation of a preferred strategy for LTP3, which was published for public consultation on the 8th September 2010.
- 1.3 The consultation on the preferred strategy sought views on the preferred strategy from across the whole of Merseyside, from the private, public and voluntary sectors and the general public. In Sefton, the Council took the lead in the consultation with elected Members, Area Committees, Parish Councils and the private business sector. A Member/Officer workshop was held in October, following on from the successful workshop on future transport priorities held in June. Reports and presentations on the consultation process and the opportunities to respond were provided to all the Area Committees and the Sefton Area Partnership of Local Councils. The LTP3 consultation was also a key agenda item at the Sefton Economic Forum on 18th November 2010.
- 1.4 Alongside the LTP3 consultation, responses were sought about the priorities for the LTP3 implementation programme in Sefton. Both Member workshops and all the presentations to Area Committees and other organisations included a request to identify the priorities for transport in Sefton in the next LTP programme.
- 1.5 On 1<sup>st</sup> December 2010 Cabinet Member – Technical Services approved Sefton Council's response to the LTP Preferred Strategy Public Consultation and confirmed the priorities for the LTP3 Implementation Plan in Sefton.
- 1.6 The LTP Preferred Strategy has been amended to reflect the issues raised during the consultation, taking particular account of the responses from the local authority partners. The revised draft of the LTP has been prepared and will be considered for approval by the ITA on 17<sup>th</sup> March 2011. Prior to that, the Partnership is seeking endorsement from all the local authority partners for the revised LTP, specifically the Preferred Strategy.
- 1.7 The revised LTP also needs to include a full implementation programme, based on the implementation programmes from all the individual partners. Sefton's proposed implementation programme will be based on the priorities approved by Cabinet Member Technical Services on 1<sup>st</sup> December 2010.

1.8 The purpose of this report is to seek endorsement of the Merseyside Local Transport Plan Preferred Strategy and to seek approval for a four year outline Implementation Programme for Sefton based on Sefton's LTP3 Priorities together with the actual allocations for LTP funding for 2011/12 and 2012/13 and the indicative allocations for 2013/14 and 2014/15.

## 2.0 Merseyside 3<sup>rd</sup> LTP Preferred Strategy

2.1 The initial work on the development of the LTP3 resulted in a proposed a vision for the Liverpool City Region and objectives related to national transport goals. The proposed vision for transport in the City Region was as follows :

*A city region, committed to a low carbon future which has a transport network and mobility culture which positively contributes to a thriving economy and the health and well being of its citizens and where sustainable travel is the option of choice.*

2.2 The proposed goals for LTP3 published in the draft preferred strategy were as follows. These were all given equal status.

- Ensure the transport system supports the priorities of the Liverpool City Region, the proposed Local Enterprise Partnership and the Local Strategic Partnerships.
- Provide and promote a clean and low carbon transport system.
- Ensure the transport system promotes and enables improved health and wellbeing.
- Ensure the transport system supports equality of travel opportunity by enabling people to connect easily with employment, services and social activities.
- Ensure the transport network supports the economic success of the city region by the efficient movement of people and goods.
- Maintain our assets to a high standard.

2.3 An extensive consultation was undertaken throughout Merseyside on the draft preferred strategy. Sefton's response to the consultation and the Council's priorities for LTP3 was approved by Cabinet Member on the 1<sup>st</sup> December 2010. The results of the Merseyside consultation and an Options Review for changes to the LTP Preferred Strategy were published by the Merseyside Partnership in January 2011. The Options Review identifies some areas where the final Preferred Strategy may be amended. This includes providing a greater emphasis on the need to support economic growth, reflecting comments from the local authority partners including Sefton. There is also a significant focus on supporting Liverpool's Decade of Health and Wellbeing and ensuring that transport contributes to a more active and healthy population.

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- 2.4 The Options Review does not indicate whether there will be any changes to the overall Vision or Goals for the final LTP and an updated version of the Preferred Strategy is currently in preparation and has not yet been released for comment by the local authority partners. It is expected that it will be possible to report the revised Preferred Strategy to Cabinet on 3<sup>rd</sup> March for endorsement.

## 3.0 Sefton LTP3 Priorities

- 3.1 The LTP3 Priorities for Sefton were approved by Cabinet Member-Technical Services on 1<sup>st</sup> December 2011 following a comprehensive consultation process with Members, Area Committees and other stakeholders. These priorities are as follows :

- Thornton to Switch Island Link : Delivery of the proposed Thornton to Switch Island Link providing a local bypass of Netherton and Thornton and improving the strategic links between the motorway network and Crosby, Formby and Southport. The completion of the planning and design process, securing the required statutory powers and construction of the proposed Thornton to Switch Island Link is a top priority for the Council. The scheme will deliver major benefits in terms of reduced congestion, improved strategic links and local environmental improvements. The Department for Transport announced on 4<sup>th</sup> February that the funding bid for the scheme had been approved. Traffic management measures on the existing highway network parallel to the proposed new link road are expected to be funded through the LTP capital programme.
- Maintenance of highway assets : Maintain and improve the highway network to provide the safe, free flow of traffic on the highway and to provide safe conditions for all users of the highway network. This includes the maintenance of carriageways, footways, street lighting, highway drainage, bridges, structures, traffic signals, signs and road markings. The approach to maintenance across the Borough will be set out in the Transport Asset Management Plan, which will be subject to consultation with Members later this year.
- Road safety : Improve safety and security on the highway network by reducing accidents, managing traffic speeds and delivering education and enforcement programmes so that the highway network is safer for all users. This will include specific schemes to reduce accidents, such as local safety schemes, traffic calming and speed management where appropriate. It will also include collaboration with the Police and partner authorities through the Merseyside Road Safety Partnership and the delivery of targeted education and enforcement programmes, especially with vulnerable groups such as children, pedestrians and cyclists.
- Traffic management and parking : Manage the highway network to provide the safe, free flow of traffic, reduce traffic congestion and manage parking effectively so that business activity is supported and transport impacts on the local environment are minimised. This includes the implementation of

traffic management schemes such as junction improvements, improving urban traffic control and transport information systems and the development, implementation and enforcement of parking policies, standards, controls and charges.

- **Accessibility** : Supporting local communities by improving access for all to key local facilities and services, particularly for pedestrians and those with impaired mobility. Public transport makes an essential contribution to this priority and partnership and consultation with Merseytravel and the operators will be maintained so that Sefton residents' concerns are effectively presented. For Sefton's programme, this will include improving the street environment to make conditions better for people with all levels of mobility.
  - **Healthy lifestyles** : Contribute to better health and well being by supporting active, healthy lifestyles. This will include improving the transport network to make healthy choices, specifically walking and cycling, easier and safer for people, as well as increasing access to the countryside and other leisure opportunities. Activities to promote healthy lifestyles will continue to be delivered in partnership with the health sector and partners across Merseyside.
  - **A565 Route Management Strategy** : Delivery of the Action Plan for the A565 Route Management Strategy providing improvements in journey time and reliability, safety, accessibility and air quality along the A565 between Seaforth and Thornton. The A565 is one of the busiest routes in the Borough and experiences high levels of traffic leading to congestion, accident risk, reduced pedestrian access and poor air quality. The A565 Action Plan includes a series of proposals for better traffic management, information and monitoring systems, improvements to key junctions, review of parking management, support for public transport, walking and cycling and measures to reduce air pollution from traffic. The implementation of the Action Plan will make a vital contribution to delivering the wider LTP3 priorities in Sefton.
  - **Strategic planning** : Effective strategic planning is essential to develop and deliver the above strategies and programmes and provide the critical link to other key strategies and plans, e.g. the LDF Core Strategy. Development and delivery of the LTP3 implementation programme will require strategic planning input, incorporating forward planning, gathering and reviewing evidence, assessing feasibility, undertaking consultation and securing the relevant approvals and support. This will also include Sefton's contribution to the Merseyside partnership and the preparation of funding bids for specific projects to support the LTP3 priorities. The delivery of the Thornton to Switch Island Link scheme over the next 12-24 months will place particular demands on planning resources.
- 3.2 The Thornton to Switch Island Link will be funded from the Council's own resources and from Government funding specifically allocated to the delivery of

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major schemes. The funding for the scheme is therefore not affected by the LTP allocations discussed in this report.

## 4.0 The LTP Short Term Implementation Plan

4.1 The Preferred Strategy for the 3<sup>rd</sup> Merseyside LTP proposes the development of a short term 4 year implementation plan based on the delivery of a range of proposed key actions. The plan will consist of the individual programmes of the Merseyside partners. Consultation in Sefton with Members, Area Committees and at the Sefton Economic Forum identified support for all the key actions identified, with some amendments as indicated below. These key actions are as follows :

- **Prioritising the Maintenance Programmes** : This will ensure that the highway network allows the efficient movement of goods and people, provides a safe environment for vulnerable members of the community, encourages cycling and walking and is resilient to extreme weather.
- **Integrating the LTP with the Local Development Frameworks and Community Strategies** : This will provide a robust planning framework linking transport and future developments in ways that can reduce long distance travel and carbon emissions, improve accessibility and provide a framework for future funding sources
- **Expanding the range of public transport services by examining the role of other providers, backed by a network of neighbourhood based information services** : This will have a direct impact in disadvantaged areas, creating greater opportunities to travel, access employment and foster well being.
- **Begin to implement the next generation of technology** : This will encourage the wider use of new technology, particularly in relation to Smartcards for public transport use.
- **Work with the Freight Quality Partnership and other parties to develop and enhance the freight and logistics network** : Given its location, the Port of Liverpool and access to the port are key issues for Sefton. This action will support the Port of Liverpool, reduce the impact of freight movements on local communities, promote the use of rail and make a major contribution to reducing carbon outputs.
- **Implement the low emissions strategy and prepare a complementary strategy that seeks to reduce reliance on oil** : This will reduce carbon emissions, improve air quality and health and provide a stimulus to the creation of new technologies in support of the city region Low Carbon Economy.
- **Ensure effective delivery of capital programmes**



- Use Travelwise to increase promotion of sustainable and safe travel and behaviour change : Marketing and promotion of walking, cycling and public transport as part of a healthy lifestyle.
  - Continue to reduce road traffic accidents through control of excessive speed on the highway network : Reducing traffic accidents and casualties is a priority for Sefton, but this may be better achieved through the existing wide range of activities aimed at improving road safety and not just focusing on controlling excessive speed.
  - Plan for the long term
- 4.2 There are strong synergies between the key actions and Sefton's LTP Priorities. A simple assessment of the links between the Sefton LTP Priorities and the LTP key actions has been undertaken and this is illustrated in Annex A.
- 4.3 Sefton Council has expressed some concerns about the deliverability of all the actions proposed, given the level of funding being provided through the LTP allocation. In addition, many of the interventions will require revenue commitment in terms of staff resources to deliver as well as capital funding. Due to reductions in local authority budgets this is likely to be severely restricted.

## **5.0 Sefton's Proposed Outline LTP Implementation Programme**

- 5.1 A four year Outline LTP Implementation Programme for Sefton has been prepared based on Sefton's LTP3 Priorities and the actual allocations for LTP funding for 2011/12 and 2012/13 and the indicative allocations for 2013/14 and 2014/15. An initial breakdown of the allocations is shown in Annex B. At this stage, this has concentrated on an indicative share of the Integrated Transport and Maintenance capital allocations. Specific details of annual programmes will be developed and reported to Cabinet Member Technical Services separately on an annual basis. In accordance with the consultation held with Members, a particularly high priority is given to the maintenance of highway assets and the reduction of traffic accidents and casualties.
- 5.2 The outline capital programme will provide the basis from which the detail of the 2011/12 LTP Capital Programme will be developed. It will also provide the basis for future years' programmes.
- 5.3 It must be noted that the allocations are indicative and are based on the expected Integrated Transport and Maintenance allocations that will be received from the Integrated Transport Authority (Merseytravel). It is not yet clear on what basis the transfers will be made and it is likely that the ITA will expect that all the allocation will be committed to the delivery of transport schemes. The expected allocations will need to be incorporated in the Council's overall capital programme.

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## **6.0 Conclusions**

- 6.1 The Merseyside LTP3 Strategy and Implementation Plan will deliver significant benefits for Sefton and Merseyside. The four year Implementation Capital Programme for Sefton will provide a significant contribution to the Merseyside LTP3 Implementation Plan.

## **7.0 Recommendations**

- 7.1 It is recommended that Cabinet Member Technical Services:
- (i) Notes the report and supports the recommendations to Cabinet.
- 7.2 It is recommended that Cabinet:
- (i) Endorses the Merseyside Local Transport Plan Preferred Strategy
  - (ii) Approves the proposed four year outline Sefton LTP Implementation Programme as detailed in Annex B.

**INTERACTIONS BETWEEN SEFTON TRANSPORT PRIORITIES AND LTP KEY ACTIONS**

**Annex A**

Sefton Priorities LTP Key Actions	Maintenance of Highway Assets	Road Safety	Traffic Management and Parking	Accessibility	Healthy Lifestyles	A565 Route Management Strategy	Strategic Planning
Prioritise Maintenance Programmes	✓					✓	✓
Fully Integrate the LTP with Local Development Frameworks and Community Strategies							✓
Expand the role of public transport services				✓	✓	✓	✓
Begin to implement the next generation of technology	✓		✓			✓	✓
Work with Freight Quality Partnership to develop and enhance the freight network	✓		✓				✓
Implement low emissions strategy					✓	✓	✓
Ensure effective delivery of Capital Programmes	✓	✓	✓	✓	✓	✓	✓
Use TravelWise to increase promotion of sustainable and safe travel and behaviour change				✓	✓		✓
Continue to reduce road traffic accidents on the highway network		✓					✓
Plan for the long term							✓

Annex B

**PROPOSED 4 YEAR LTP OUTLINE IMPLEMENTATION CAPITAL PROGRAMME FOR SEFTON**

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	Total £k
<b>Maintenance of Highway Assets</b>					
Urban Traffic Control	40.00	40.00	39.00	35.00	154.00
Highways	1516.00	1557.00	1474.00	1333.00	5880.00
Highway Structures and Bridges	593.00	608.00	576.00	521.00	2298.00
Street Lighting	110.00	111.00	106.00	96.00	423.00
Drainage	165.00	170.00	160.00	145.00	640.00
Asset Management	50.00	50.00	-	-	100.00
<b>Sub Total</b>	<b>2474.00</b>	<b>2536.00</b>	<b>2355.00</b>	<b>2130.00</b>	<b>9495.00</b>
<b>Integrated Transport</b>					
Thornton to Switch Island Link (traffic management measures only)	0.00	0.00	200.00	200.00	0.00
Road Safety	362.00	280.00	230.00	440.00	1662.00
Traffic Management and Parking	46.00	100.00	100.00	200.00	446.00
Accessibility	120.00	60.00	70.00	120.00	420.00
Healthy Lifestyles	240.00	200.00	240.00	300.00	980.00
A565 Route Management Strategy	100.00	300.00	100.00	100.00	600.00
Strategic Planning	112.00	107.00	107.00	112.00	438.00
<b>Sub Total</b>	<b>980.00</b>	<b>1047.00</b>	<b>1047.00</b>	<b>1472.00</b>	<b>4546.00</b>
<b>Total</b>	<b>3454.00</b>	<b>3583.00</b>	<b>3402.00</b>	<b>3602.00</b>	<b>14041.00</b>

# Agenda Item 13

**REPORT TO:** Planning Committee  
Cabinet Member – Technical Services  
Cabinet

**DATE:** 9 February 2011  
23 February 2011  
3 March 2011

**SUBJECT:** Planning - Fees and Charges 2011/12

**WARDS  
AFFECTED:** ALL

**REPORT OF:** Andy Wallis, Planning & Economic Development Director

**CONTACT  
OFFICER:** Jim Alford - Telephone 0151 934 3544

**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To seek approval of the Planning Committee to increase fees and charges levied within the Planning Portfolio.

**REASON WHY DECISION REQUIRED:**

At the meeting of 26<sup>th</sup> February 2004, Cabinet requested that any other amendment to fees and charges be referred for approval prior to implementation.

**RECOMMENDATION(S):**

1. That Cabinet Member – Technical Services notes the contents of the report.
2. That Planning Committee note the content of the report and recommend to Cabinet the proposed increases in fees and charges for 2011/12 as set out in Annex A of the report and the revised financial contributions to be set out in Supplementary Planning Guidance.
3. That the Planning Committee consider the implementation of the proposed scale of planning and other application fees as soon as it becomes available and that the fees, together with any proposed subsequent amendments, be submitted to the Cabinet for approval before its mandatory implementation in October 2011.
4. **That Cabinet agree the proposed charges for 2011-12 as set out in Annex A of the report**

**KEY DECISION:** No

**FORWARD PLAN:** No

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**IMPLEMENTATION DATE:** 1 April 2011

**ALTERNATIVE OPTIONS:**

Fees remain the same as previous approved

**IMPLICATIONS:**

**Budget/Policy Framework:** Fees and Charges are set outside of the main budget setting process

**Financial:**

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

**Risk Assessment:**

**Asset Management:**

**CONSULTATION UNDERTAKEN/VIEWS**

The Interim Head of Corporate Finance & Information Services has been consulted and his comments have been incorporated into 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**

Planning Fees and Charges 2009-10  
 Environmental Information Regulations

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## **BACKGROUND:**

1. The Committee will be aware that each year those fees and charges levied by individual departments are reviewed and increased (where appropriate) to reflect current service delivery costs, national guidelines and/or inflation.
2. In 2004, Cabinet requested that any other amendment to fees and charges be referred for approval prior to implementation.
3. Some of the services of the Planning & Economic Development Department have been transferred to other Portfolios so charges previously included for these areas have been removed from the list.
4. Attached at Annex A is a summary of those fees and charges included within the Planning and Technical Services portfolios, together with proposed increases in charges. Changes made to the list include :
  - The service charge has been aligned with the cost of supply of environmental information.
  - Inflationary increases of 4.6% (based on RPI average for 2010)
5. It is proposed that fees and charges be increased to reflect inflationary pressures and national guidelines where appropriate.

## **Building Control Charges**

6. Responsibility for setting Building Control Charges is now devolved to the Council. Members may recall a report to the 18 August 2010 Planning Committee advising them of the requirement to produce a revised scheme of Building Regulation charges. The charges were implemented on 1 October (and amended on 4 January 2011 to reflect the VAT rate change) and are shown on Sefton's website.

## **Planning Fees**

7. Members will recall a report to 15<sup>th</sup> December 2010 Planning Committee detailing CLG proposals for changing planning fees. The preferred option in the consultation paper details the proposed devolution of fee setting to local authorities. The consultation suggests that authorities can set their own fees from April 2011 and that fees must be reviewed and implemented by October 2011. At this stage, Officers are not able to put together a comprehensive scheme of charging until some baseline data has been gathered and the CLG has clarified what costs should be taken into account when setting fees.
8. Given the short timescales involved in this process it is requested that the Planning Committee be given delegated authority to approve the proposed scale of fees as soon as it becomes available and that the scheme together with any proposed subsequent amendments be ratified by Cabinet before its mandatory implementation in October 2011.



## Land Charges Fees

9. The Environmental Information Regulations 2004 provide for the information given in land searches to be made available for inspection free of charge. Facilities have been put in place for personal searchers to access the land charges and highways registers at Sefton Plus and building regulation registers, environmental protection notices and highways information at Magdalen House, and planning information is available on Sefton's website.
10. It is anticipated that charging for land charge searches will be overtaken by the provisions of the Environmental Information Regulations in that the Council is only able to make reasonable charges for information which it may be requested to provide to clients in a tailored format and must not make a profit from this work. Work is now underway to collate information in respect of costs for the service and fees for land searches will be set to reflect this.

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Annex A

<b>Scale of Charges 2011/12 Planning Services</b>		
<b>Details</b>	<b>2010/11 Charges (£)</b>	<b>New charges 2011/12 Charges (£)</b>
Service charge only (Associated fee based on 15 mins time & staff costs taken to answer questions)	12.50	<b>12.50</b>
<b>Supply of OS Map Extracts for Planning Applications</b>		
1:1250 or 1:2500	21.20	<b>22.00</b>
1:200 or 1:500	10.70	<b>11.00</b>
<b>Photocopies</b>		
<b>Planning Application Documents</b>		
A3 & A4 size Photocopies -		
Service charge	10.70	<b>12.50</b>
per page	0.25	<b>0.25</b>
<b>Planning Decision Notices</b>	11.00	<b>13.00</b>
Plan Prints -		
Service charge	10.70	<b>12.50</b>
per page	1.25	<b>1.30</b>
<b>Building Control Documents</b>		
A3 & A4 size Photocopies -		
Service charge (includes VAT)	12.50	<b>14.70</b>
per page (includes VAT)	0.30	<b>0.30</b>
Plan Prints -		
Service charge (includes VAT)	12.50	<b>14.70</b>
per page (includes VAT)	1.45	<b>1.50</b>

<b>Supply of Environmental Information</b>		
Hourly rate (normal working hours)	50.00	<b>50.00</b>
Hourly rate (outside normal working hours)	61.50	<b>61.50</b>
<b>Charges in connection with Section 106, Town and Country Planning Act 1990 (as amended)</b>		
Provision of trees, per tree	460.40	<b>481.50</b>
Public green space provision or enhancement (including a maintenance contribution):		
- for hotels and other Use Class C1 uses: for each 20m2 of bedroom floorspace:	1734.50	<b>1815.00</b>
- for other commercial development and leisure development for each 100 m2 of floorspace:	1734.50	<b>1815.00</b>
- for industrial development for each 500 m2 of floorspace.	1734.50	<b>1815.00</b>
<b>Publications</b>		
<i>For all documents in this section please contact the Assistant Planners, Local Plans (Ian Loughlin 0151 934 3558 or David Robinson on 0151 934 3598)</i>		
<b>Unitary Development Plan (2006)</b>	10.00 + p&p	<b>10.00 + p&amp;p</b>
<b>Local Development Scheme</b>	N/a	
<b>Annual Monitoring Report</b> (Electronic copy available online at <a href="http://www.sefton.gov.uk/amr">www.sefton.gov.uk/amr</a> )	N/a	<b>Free</b>
<b>Supplementary Planning Guidance Notes</b>		
New Housing Development	Free	<b>Free</b>
Design	Free	<b>Free</b>
Ensuring Choice of Travel	Free	<b>Free</b>

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Greenspace, Trees and Development	Free	Free
Landscape Character	Free	Free
Development in the Green Belt	Free	Free
Archaeology	Free	Free
House Extensions	Free	Free
Shop Fronts, Security and Signage	Free	Free
Southport Seafront	Free	Free
Bootle Town Centre	Free	Free
South Sefton Housing Market Renewal: Bedford Road/Queens Road	Free	Free
South Sefton Housing Market Renewal: Bedford Road/Queens Road Development Brief	Free	Free
South Sefton Housing Market Renewal: Klondyke and Canal Corridor	Free	Free
South Sefton Housing Market Renewal: Klondyke and Canal Corridor Development Brief	Free	Free
<b>Flood Risk</b>		
Sefton Strategic Flood Risk Assessment (SFRA) 2009 Main Report – WS Atkins (electronic version available <a href="http://www.sefton.gov.uk/sfra">www.sefton.gov.uk/sfra</a> )	Free	Free
Sefton Strategic Flood Risk Assessment (SFRA) 2009 Appendices – WS Atkins (electronic version available <a href="http://www.sefton.gov.uk/sfra">www.sefton.gov.uk/sfra</a> )	Free	Free
<b>Green Space and Recreation</b>		
Sefton Green Space and Recreation Study 2009 Main Report (electronic version available <a href="http://www.sefton.gov.uk/planningstudies">www.sefton.gov.uk/planningstudies</a> )	Free	Free
Sefton Green Space and Recreation Study 2009 Main Report (electronic version available <a href="http://www.sefton.gov.uk/planningstudies">www.sefton.gov.uk/planningstudies</a> )	Free	Free

<p><b>Sefton Statistics</b>  <i>For information about the 2001 Census and other queries about population, please contact the Planning Intelligence Officer, Strategy &amp; Information (Kate Calderbank 0151 934 4599)</i></p>		
<p><b>Shopping</b>  <i>For all documents in this section please contact the Assistant Planner, Strategic Planning (Tom Hatfield 0151 934 3555)</i></p>		
<p><b>Sefton Retail Strategy Review 2005</b>            Volume one: Retail Capacity Analysis, Prepared by White Young Green Planning, for Sefton Council. February 2006. (Also available to view on Sefton Website at <a href="http://www.sefton.gov.uk/planningstudies">www.sefton.gov.uk/planningstudies</a> )</p>	65.55	<b>68.50</b>
<p>Volume Two: Vitality &amp; Viability Study of Southport Town Centre and Bootle Town Centre Prepared by White Young Green Planning, for Sefton Council. March 2006 (Also available to view on Sefton Website)</p> <p>Volume Three: Technical Appendices - February 2006 <b>CD rom</b> (Note: <b>Not available</b> on Sefton Website)</p>	65.55	<b>68.50</b>
<p>Sefton Retail Strategy Review Update 2009 – Incorporating town centre health checks for Bootle and Southport (Also available to view on Sefton Website <a href="http://www.sefton.gov.uk/planningstudies">www.sefton.gov.uk/planningstudies</a> )</p>	22.20	<b>23.20</b>
<p>Sefton Retail Strategy Review Update 2009 – Appendices (Also available to view on Sefton Website <a href="http://www.sefton.gov.uk/planningstudies">www.sefton.gov.uk/planningstudies</a>)</p>	36.70	<b>38.40</b>
<p><b>Housing</b>  <i>For all documents in this section please contact the Assistant Planner, Strategic Planning (Tom Hatfield 0151 934 3555)</i></p>		

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Sefton Housing Study 2003. Main Report. Fordham Research, 2004	44.95	<b>47.00</b>
The Relationship between the shortage of affordable housing and the health of the local economy in Southport, Merseyside. Final Report September 2004. Fordham Research 2004	11.25	<b>11.75</b>
Housing Development Sites in Sefton 2004	11.25	<b>11.75</b>
Sefton Housing Needs Assessment Update 2005. Main report, Fordham Research (electronic version available)	Free	<b>Free</b>
Sefton Strategic Housing Market Assessment 2009. Appendices, Fordham Research (electronic version available <a href="http://www.sefton.gov.uk/shma">www.sefton.gov.uk/shma</a> )	Free	<b>Free</b>
<b>Sefton's Urban Housing Capacity Assessment</b>		
<i>For all documents in this section please contact the Assistant Planner, Strategic Planning (Tom Hatfield 0151 934 3555)</i>		
Sefton's Urban Housing Capacity Study 2004. White Young Green and Chesterton, July 2004. Final Report (electronic version)	Free	<b>Free</b>
Sefton's Urban Housing Capacity Study 2004. White Young Green and Chesterton, July 2004. Executive Summary	5.60	<b>5.85</b>
Strategic Housing Land Availability Assessment Study – WYG (Final document available electronically February 2010) <a href="http://www.sefton.gov.uk/shlaa">www.sefton.gov.uk/shlaa</a>	Free	<b>Free</b>
Strategic Housing Land Availability Assessment Study – WYG (Final document available electronically February 2010) <a href="http://www.sefton.gov.uk/shlaa">www.sefton.gov.uk/shlaa</a>	Free	<b>Free</b>

<b>Economy</b>		
<i>For all documents in this section please contact the Assistant Planner, Strategic Planning (Tom Hatfield 0151 934 3555)</i>		
Merseyside Employment Land Study, White Young Green, 2004 (electronic version available)	Free	<b>Free</b>
Joint Employment Land and Premises Study – BE Group (Final document available electronically February 2010) <a href="http://www.sefton.gov.uk/elps">www.sefton.gov.uk/elps</a>	Free	<b>Free</b>
Joint Employment Land and Premises Study – BE Group (Appendices available electronically February 2010) <a href="http://www.sefton.gov.uk/elps">www.sefton.gov.uk/elps</a>	Free	<b>Free</b>
<b>Country and Countryside</b>		
Leeds Liverpool Canal Towpath Nature Trails: Stanley Dock-Bootle-Aintree	Free	<b>Free</b>
Leeds Liverpool Canal Towpath Nature Trails: Maghull-Lydiat-Scarbrick	Free	<b>Free</b>
<b>Exploring Sefton's Footpaths Series:</b>		
3 Walks in the Mersey Forest	Free	<b>Free</b>
4 Walks in the Mersey Forest	Free	<b>Free</b>
Walking and Cycling Guide	Free	<b>Free</b>
Seasonal Newsletter Walking and Cycling	Free	<b>Free</b>
Discover Sefton Leaflet	Free	<b>Free</b>
Discover Formby Leaflet	Free	<b>Free</b>
New Door Step Guide, Lydiat	Free	<b>Free</b>
Every Step Counts Independent Walks	Free	<b>Free</b>
Walkabout Merseyside Coast and Country	Free	<b>Free</b>
Melling Meanders	Free	<b>Free</b>
Cycling Trans Pennine Trail	Free	<b>Free</b>
Cycle Maps – Merseyside	Free	<b>Free</b>
Rideabout	Free	<b>Free</b>
National Cycling Network North of England	Free	<b>Free</b>
Health Walks	Free	<b>Free</b>

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<b>Conservation Area Advisory Leaflets:</b>		
Conservation Area Advisory Leaflet: Birkdale Village, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Birkdale Park	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Blundellsands Park, 1984	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Carr Houses, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Churchtown and North Meols	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Crosby Hall and Little Crosby	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Damfield Lane, Maghull	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Derby Park	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Gloucester Road, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Green Lane, Formby, 1989	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Hesketh Road, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Homer Green, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Lunt Village, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Promenade, Southport	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Sefton Village, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Waterloo	Free	<b>Free</b>
Conservation Area Advisory Leaflet: Waterloo Park, 2001	Free	<b>Free</b>
Conservation Area Advisory Leaflet: West Birkdale, 2001	Free	<b>Free</b>
Churchtown Village Trail. A Guide to this Historic Village (Also, can be viewed on North Meols Civic Society Web site)	Free	<b>Free</b>
Listed Buildings Advisory Leaflet 2006	Free	<b>Free</b>
Lydiate Hall and Chapel Conservation Area 1993	Free	<b>Free</b>



Moor Park Conservation Area Leaflet	Free	Free
Protected Trees. A Guide to Tree Preservation Procedures, DoE 2002	Free	Free
Notes on Waterloo (Reference only)		
<b>Planning Information</b>		
Planning. A Guide for Householders DoE 2002	Free	Free
The Party Wall etc. Act 1996: Explanatory Booklet DETR, 2002	Free	Free
A Householder's Planning Guide for the Installation of Satellite Television Dishes, DETR, 2000	Free	Free
Your Planning Application RTPI, 1998	Free	Free
Can I Object? RTPI, 1998	Free	Free
Should I Appeal? RTPI, 1998	Free	Free
Green Belts & Development. What Is Permitted? RTPI, 1998	Free	Free
Listed Buildings and Conservation Areas. Sefton MBC	Free	Free
Lord Street Conservation Area Appraisal. Planning Guidance for owners, occupiers and developers. Sefton MBC	Free	Free
Mobile Homes. A Guide for Residents and Site Owners, DETR 2001	Free	Free
Cost Awards in Planning Appeals. A Guide for Appellants DETR 2000	Free	Free
Compulsory Purchase Orders. A Guide to Procedure DoE 1992	Free	Free
Outdoor Advertisements and Signs. A Guide for Advertisers, DETR 2000	Free	Free
Planning Permission. A Guide for Business, DETR 2000	Free	Free
Hazardous Substances Consent. A Guide For Industry, DETR 2000	Free	Free
Planning Consultants. Where to find Planning Advice in the North West, RTPI 2004	Free	Free
How to Complain to the Local Government Ombudsman, LGO 2000	Free	Free

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Mobile Phones and Health, DH 2000	Free	Free
High Hedges: Complaining to the Council, ODPM	Free	Free
Over the Garden Wall, ODPM	Free	Free
<b>Environmental Advisory Services Charges</b> (subject to VAT)		
<b>Access to material per hour (min 1 hour)</b>	50.00	<b>50.00</b>
<b>Support services for external users</b> per hour	50.00	<b>50.00</b>
<b>Overheads</b>		
Photocopying (per A4 sheet)	0.30	<b>0.30</b>
Service charge	12.50	<b>12.50</b>
<b>Highways Development Control charges</b>		
<b>Adoption of new roads/streets</b>		
- under S38 of the Highways Act	1,500.00 + 10% of construction costs	<b>1,600.00</b>
- under S37 of the Highways Act	1500.00	<b>1,600.00</b>
<b>Stopping up and diversion of highways</b>		
- per Order	2,000.00	<b>2,200.00</b>
- up to a maximum	10,000.00	<b>11,000.00</b>
Including direct costs from the Magistrates Court as directed by the Court		
<b>Council approval where Government Office processes a S247 Town &amp; Country Planning Act 1990</b>	150.00	<b>500.00</b>
<b>Gating Orders under S129a Highways Act 1980</b> - Where multiple streets can be shown on a plan at an appropriate scale of no more than A4 at 1:1250	2,000.00	<b>2,200.00</b>
<b>S278 Highways Act 1980 agreements</b>	1,500.00 + 10% of design & supervision fees	<b>1,600.00</b>

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<b>S177 Highways Act 1980 Licenses</b>	1,000.00	<b>1,100.00</b>
<b>S115 (a-k) Highways Act 1990 Licence</b> (as amended by the Local Government Miscellaneous Provisions Act 1982)	1,000.00 (except where this relates to pavement cafes)	<b>1,100.00</b>
<b>S184 Highways Act 1980</b>	1,000.00	<b>1,100.00</b>
<b>S50 New Roads and Streetworks Act 1991 Licence</b> (Placing private apparatus within the highway)	Up to a max of 1,000.00	<b>1,100.00</b>
<b>Street Naming and Numbering</b>		
- No change to an approved address	Free	
- Including alteration to an approved address	150.00	<b>250.00</b>
<b>Licence to create a cellar opening</b> under S179 of Highways Act 1980	500.00	<b>750.00</b>
<b>Licence for catenary wires, poles, ropes or beams across/above a highway</b> under S178 of Highways Act 1980	500.00	<b>750.00</b>
<b>Consent to erect flagpoles or other similar apparatus on a highway</b> under S144 of Highways Act 1980	500.00	<b>750.00</b>
<b>Licence for monument or war memorial</b> under S42 of the Public Health Act	500.00	<b>750.00</b>
<b>Modification Order under S53 of the Wildlife and Countryside Act 1981</b> (per Order)	2,000.00	<b>2,200.00</b>

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<b>General enquiry</b> for Stopping-up Order/ Gating Order/ Diversion Order/ Modification Order/S38/S278 Highways Act agreement/S111(1) Local Government Miscellaneous	55.00	<b>60.00</b>
<b>General enquiry</b> requesting adopted highway and other related information		
- adoption plan	55.00	<b>60.00</b>
- adoption plan and major road schemes	70.00	<b>75.00</b>
- additional questions	10.00	<b>10.00</b>
	(to a maximum of 100.00)	<b>(to a maximum of 110.00)</b>
<b>Licence to install trees, shrubs etc in a public highway</b>	500.00	<b>750.00</b>
<b>Traffic Management Charges</b>		
<b>Temporary road closure</b> (for road works or events on the highway)	600.00	<b>650.00</b>
<b>Emergency road closure</b>	250.00	<b>300.00</b>
<b>Temporary road closure</b> (for charitable or civic events)	350.00	<b>400.00</b>
<b>Progression of Traffic Regulation Orders</b>	750.00	<b>800.00</b>
<b>Local Land Charges</b> (contact us on 934 2019 or 2199)		
<b>Standard Search Fee</b> CON29R/LLC1	102.00	
CON29R form only	80.00	
CON29O enquiries: each box ticked (all £285)	15.00	
CON29 form only - each box	15.00 + 10.00 admin fee	
LLC1 only	22.00	
LLC1 additional parcel fee (maximum 16 parcels)	1.00 each	
Solicitors written enquiry:	30.00	
Expedited Fee:	20.00	
Additional parcels:	£ 20.00 each	
Copies of LC entries (not including a copy or extract of any plan or document filed pursuant to LLC rules)	1.50	
Inspection of documents filed under Rule 10 in respect of each parcel of land (Light Obstruction Notices only)	2.50	

# Agenda Item 14

**REPORT TO:** Cabinet

**DATE:** 3<sup>rd</sup> March 2011

**SUBJECT:** Empty Homes and the Core Strategy

**WARDS AFFECTED:** All

**REPORT OF:** Alan Lunt - Neighbourhoods and Investment Director and  
Andy Wallis - Planning and Economic Development  
Director

**CONTACT OFFICER:** N Davies  
Strategy Manager  
934 4837

**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To provide a report on empty homes in the borough, as requested by Cabinet, in relation to previous discussions concerning the Green Belt Land Release Study and the future Planning Core Strategy.

**REASON WHY DECISION REQUIRED:**

Cabinet requested this report so that it may consider the issue of empty homes in relation to the Green Belt study, the results of which were deferred.

**RECOMMENDATION(S):**

That Cabinet;

1. Note Sefton's position in relation to empty homes

2. Confirm that the current risk based approach, focussing on the most problematical vacant properties, is the most appropriate response to the issue within current resource constraints.

**KEY DECISION:** No

**FORWARD PLAN:** No

**IMPLEMENTATION DATE:** NA

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**ALTERNATIVE OPTIONS:** The current Empty Property Strategy is based upon taking action by agreement or enforcement actions, involving a small number of high risk and problematic empty properties. Section 4 of this report discusses alternative approaches.

## IMPLICATIONS:

**Budget/Policy Framework:** A revised Empty Homes Strategy was adopted in July 2009

**Financial:** No direct expenditure proposals are contained in this report

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
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:**

**Risk Assessment:**

**Asset Management:**

## **CONSULTATION UNDERTAKEN/VIEWS**

LD 63/11, The Director of Legal Services has no comments to make on 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		X	
2	Creating Safe Communities	X		
3	Jobs and Prosperity	X		
4	Improving Health and Well-Being	X		
5	Environmental Sustainability	X		
6	Creating Inclusive Communities	X		
7	Improving the Quality of Council Services and Strengthening local Democracy	X		
8	Children and Young People		X	

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

Empty Property Strategy July 2009  
 Letter from CLG 20<sup>th</sup> May 2009, re Planning Policy Statement 3, to Cheltenham BC

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## **1.0 Background**

1.1 At the Cabinet meeting held on the 30<sup>th</sup> September 2010, Members considered the report of the Planning and Economic Development Director on the findings of the draft Green Belt Study in relation to future development in Sefton, which would be the subject of further consultation. The report also indicated that the results of the draft Study would be incorporated into the Preferred Options Stage of the Emerging Core Strategy, which would be the subject of a further report.

1.2 It was Resolved that;

- (1) the report be deferred for consideration at a future meeting to enable the report to be considered by each Area Committee and a presentation on the draft Green Belt Study to be given to Members of the Council prior to the Council meeting on 21 October 2010; and
- (2) a report on long term empty homes in the Borough be submitted to a future Cabinet Meeting

This report seeks to address the second issue resolved above.

## **2.0 Extent of empty homes in Sefton**

2.1 The following table illustrates the level of empty homes based upon Council Tax records as at 1<sup>st</sup> October 2010.

<b>Total Empty Homes</b>	5788 4.7% of total stock	Source: Council Tax records
<b>Of which Private Long-term (6 months and longer) empty homes</b>	4937 2735 2.2% of total stock	Source: Council Tax records
<b>Of which Private New build properties [2009-10] of which vacant at [1/10/2010]</b>	2359 56	Source: Council Tax and Building Control records
<b>Empty properties earmarked for demolition</b>	459	Source: [Housing regeneration records]

Appendix 1 provides a comparison to other Local Authorities using Council HSSA Statistics, as at April 2010.

2.2 Using the April 2010 information, at 4.8% the level of vacant homes in Sefton is relatively high compared to a North West average of 3.99%, and is 8<sup>th</sup> worst out of 39 Authorities in the North West. In terms of long term empty properties, at 2.24%, Sefton



is also relatively high compared to an average of 1.94% in the North West, and is 11<sup>th</sup> worst.

2.3 There has been a small decrease in the number of vacant and long term vacant homes in Sefton, between April and October 2010. It should be noted that the large majority of empty homes are privately owned.

### **3.0 Council Response to empty homes**

3.1 In July 2009, the Council adopted a revised Empty Property Strategy. This is very much based upon;

- carrying out Risk Assessments of Long term empty properties [6 months+]
- targeting action at a small number of High Risk Category properties, within the target areas of the HMRI area and central Southport
- identifying and working with property owners, or taking enforcement actions, to get owners to take action with their properties [though this doesn't always result in properties being brought back into use, but may mitigate some negative effects of homes being empty].

3.2 This approach is an acknowledgement of the fact that it is not realistically possible to deal with the totality of the problem, given that we work with finite human and financial resources, and that the severity and nature of the problems presented will differ from property to property, as will the solutions.

3.3 The range of actions taken could include the following:

- compulsory purchase orders
- demolition orders
- use of enforced sales
- empty dwelling management orders
- encouraging owners to bring the property back into use

However, each is only suitable in certain situations, and most have either capital, or revenue [or both] resource implications.

3.4 In the current economic climate there are difficulties with some newly built private homes not selling and remaining empty. The Council has actively supported bids from Housing Associations for grant funding from the Homes and Communities Agency to purchase unsold homes wherever that is feasible. Currently the number of identified new-build and unoccupied homes in Sefton [56] is quite low.

3.5 Many of the empty homes (including long term empty homes) are in South Sefton. This area includes areas of housing stress designated as a housing market renewal area. Two Southport wards (Cambridge and Dukes wards in North Sefton) that are relatively deprived areas also contain fairly significant numbers of empty homes. The housing market renewal area of Sefton is a weaker housing market. The housing market renewal programme has concentrated primarily on tackling two sub-areas deemed to have had high housing stress, and progress to redevelop these areas continues. However, the majority of the housing market renewal area has benefited

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from only low level intervention. These remain weaker housing markets, with relatively poorer housing, socio-economic, environmental, etc, conditions. A high level of empty homes is a symptom of an underperforming market. It is to be hoped that regeneration initiatives that lift areas away from decline will impact positively upon numbers of empty homes as confidence in the area increases.

3.6 It may also be no coincidence that the 2 areas with the highest levels of empty homes, are also those where there is likely to be the greatest proportion of privately rented homes. In a report for New-Heartlands, Nevin–Leather associates recommended the need for some further analysis, including;

- The future role of the PRS and the impact of the growth of this sector on vacancy rates;

3.7 Previous analysis has indicated that 30% of all long term vacant properties in the Borough are in the HMRI area, and Cambridge and Dukes wards in Southport contain approximately 12.5% of the long term vacant properties. Hence nearly half of all long term empty homes are within these two areas

3.8 With many long term empty homes we encounter problems of finding the owners, and getting positive responses from them when we do. With the majority of empty homes being privately owned, virtually all are owned by different individuals.

3.9 Whilst in some cases it really is sensible and less costly to bring an empty home into use rather than fund new build, in many other cases it is not an inexpensive option and/or the empty home is in an area where need and demand is low or it has features which means it does not perfectly meet housing need. One example is empty flats over shops. Bringing these back into use can be fraught with problems around obtaining consents and agreements with numerous freeholders and leaseholders. The refurbishment costs can be high and the resulting accommodation is invariably unsuitable for families, a client group where need is greatest. Furthermore a town centre location where parking is difficult to find means that the accommodation is less attractive to prospective tenants.

3.10 Interventions such as Compulsory Purchase Orders are expensive and with less local authority capital available it is difficult for the Council to pursue this route. Economic renovation of older and poor condition empty homes is difficult to achieve without some form of public subsidy.

3.11 The first test case of Enforced Sale is currently in progress, but outcomes need public subsidy. These can only be used in cases where certain categories of debts are owed to the Council, and recorded as land charges.

3.12 We have yet to utilise Empty Dwelling Management Orders, and in order to obtain these it is necessary to demonstrate that other interventions have been tried but failed, which is no doubt why, nationally, very few authorities have used EDMOs. Another limiting factor is the view that these only tend to work for those properties which need a relatively low level of renovation expenditure – due to their 7 year period, limiting rental income to meet capital payback. The Government have also recently announced that Councils will only be able to use EDMOs in more limited cases. Currently we could

pursue an EDMO for any property empty for over 6 months. In future we would only be able to pursue EDMOs where a property has been empty more than 2 years, and it has been subject to vandalism, anti social behaviour or squatting. This will limit the potential use of this mechanism

3.12 Much of our efforts are based upon working with owners, or using enforcement powers to mitigate the negative effects of empty homes. Nevertheless, Sefton does have a Strategy and tool kit. Currently we try to intervene only in 'extreme' cases. However, the scale of the problem is beyond the scale of current financial and human resource levels.

#### **4. Possible alternative approach**

4.1 To seek to reduce a greater number of empty homes will require a much more proactive and costly approach.

4.2 All Local Authorities were formerly required to report on a BV Performance Indicator [64] 'Reducing the number of private sector empty homes'.

The last year when this was reported was 2007-8. For Metropolitan LAs;

Mets	units
Top Quartile	263.5
Median	183.0
Bottom Quartile	80.5

For Sefton the reported level of reduction in private empty homes was 126 units; BUT this figure included properties demolished [HMRI], and these were the majority. Looking at the performance figures of other Local Authorities, a 'target' of 200 properties returned to use per year, is not impossible. However, it is much greater than anything Sefton has previously achieved, and would require us to catapult our service delivery toward the upper quartile of LAs. Given the very limited human and funding resource position we are in, and the reductions in Council funding for all services, it is unlikely we could invest more staff resource to be proactive, as it will have resource implications.

4.3 Members should consider that our current approach [and policy] is about trying to tackle the most problematic, long term empty properties, ie. the ones having most detrimental effect on neighbourhoods. If the Council wanted to pursue a policy based upon reducing the greatest number of empty homes, we would need to think of different approaches to the empty properties in the borough, such as; surveys of owners, mail-shots to owners, offers of advisory assistance, property brokering with developers/RSLs, threats of enforcement, incentive schemes, and other 'good practice' approaches we could learn from. But if the Council switched priority attention toward those at the 'easier to tackle' end of the scale of empty homes, not only would we need to develop other assistance tools and partnerships, but this could present a problem of responding to the service complaints received about the problematic empty homes.

4.4 Following the Comprehensive Spending Review, the Government announced that it is establishing a £100m Empty Property Initiative, with the aim of returning 3000 long

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term empty homes nationally back into use. It is interesting to note that the Government estimates that currently there are 300,000 long term empty homes nationally. Details of this initiative are yet to be announced, but we know it will be managed through the Homes and Communities Agency, to support housing associations to refurbish empty properties and manage them at an affordable rent for up to 10 years. Officers have begun a dialogue with local housing associations to begin to generate schemes which may be suitable for future bids for a share of this funding. Hopefully this could include some proactive work aimed at a greater number of empty properties. However, given the scale of the initiative nationally, any successful bid and initiative may only tackle a relatively small number of properties locally. A further issue could also be that the HCA have indicated that unit refurbishment costs should not exceed £30,000, while experience in Sefton suggests unit costs are usually significantly higher than this, particularly with older properties.

4.5. In November 2010 the Government published its consultation on the proposed 'New Homes Bonus' scheme, which was to conclude on the 24<sup>th</sup> December. This states that the current planning system does not incentivise local authorities to bring empty homes back into use. This consultation asks whether bringing long-term empty homes back into use should be counted as additional supply for the New Homes Bonus. If this is ultimately included in the New Homes Bonus scheme, there may be potential for the Council to earn extra income, where it can demonstrate it has returned empty homes back into use. However, there is a risk that the costs of providing proactive services might be greater than the rewards the Council 'may' earn from this scheme.

## **5. Vacant Homes and Current Planning Policy Advice**

5.1 'Planning Policy Statement 3: Housing', is clear that local authorities should seek to make the most effective use of existing housing. In this regard paragraph 31 is clear that:

*'Local Planning Authorities should develop positive policies to identify and bring back into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase orders.'*

5.2 In this regard, the clear advice from the Planning Inspectorate at Core Strategy examinations and similar, is that local planning authorities should be aiming to bring down vacant dwellings to a level of 3% of total housing stock, which is widely regarded as the level necessary to ensure the efficient recycling of the existing housing stock. However, the unequivocal advice from CLG is that whilst the reduction of dwelling vacancy rates should be a legitimate priority of all local authorities, bringing back vacant dwellings into use cannot count against any borough housing requirement, as vacant homes already constitute part of the existing housing stock. Specifically, in a Department of Communities and Local Government (CLG) letter from the then Director General of Housing and Planning on 20 May 2009, at the bottom of page 2 and the top of 3 (under the sub title 'Empty homes') he has, inter alia, stated that:

*'Bringing back empty homes into use is a key priority for Government and local authorities. But for statistical purposes they do not count towards the indicator of "net additional dwellings", as they are, put simply, not additional dwellings. They are existing*

*stock that is being brought t back into use. However, local authorities should not confuse this data collection tool as evidence that bringing empty properties back into use is not important.'*

(emphasis has been added)

5.3 The above constitutes a very important point of planning policy guidance with regard to vacant homes and one that, as far as we are aware, has remained unaltered with the change of Government last year. Notwithstanding this, and for the avoidance of uncertainty, the Planning and Economic Development Director wrote to the current Chief Planner at CLG on 6 January 2011 asking him to comment specifically on the following:

(i) whether the advice quoted about vacant homes in the CLG letter (referred to above) is still the view of the current Government. If not, could he please advise what is the current Government's view on the matter and where this is documented.

(ii) in the light of (i) above could he please comment on whether the approach suggested by some parties that bringing back the excess of 3% vacant dwellings into use (i.e. 2,500 plus dwellings) in Sefton can possibly count, under any circumstances (and if so, what?), towards meeting some of Sefton's unmet housing needs.

5.4 At the time of drafting this Cabinet report and despite a reminder letter, no reply has been received from the Chief Planner at CLG. Accordingly, if this is forthcoming ahead of the meeting of Cabinet it will be reported verbally, or if not it will be reported as a separate report to a subsequent meeting of Cabinet at a later date.

## **6.0 Conclusion**

6.1 It is accepted that it is very important that we bring back into use as many long term vacant homes as possible, in order to both secure the most efficient use of the existing stock and minimise local dereliction. Such an approach needs to be complementary to (although it cannot replace) housing policies in a Core Strategy, which makes adequate provision for new housing. However, given current budget constraints it is unlikely we could increase service levels to bring back into use a large number of empty homes each year.

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## Appendix 1

### 2010 Housing Strategy Statistical Appendix

LA Name	Vacancy Rate	Total stock	Total vacant	Vacant for regeneration	Vacant for more than 6 months	Long term vacancy rate
Burnley	8.15	40,562	3,305	408	1,214	2.99
Hyndburn	6.37	36,390	2,319	45	1,239	3.40
Manchester	6.14	217,874	13,376	0	5,678	2.61
Liverpool	5.98	214,867	12,858	1,417	6,363	2.96
Pendle	5.95	39,676	2,362	145	1,702	4.29
Salford	5.66	106,717	6,037	..	2,080	1.95
Rossendale	5.24	30,726	1,610	0	844	2.75
<b>Sefton</b>	<b>4.80</b>	<b>124,622</b>	<b>5,984</b>	<b>183</b>	<b>2,790</b>	<b>2.24</b>
Allerdale	4.61	45,069	2,079	0	1,370	3.04
Oldham	4.49	94,789	4,254	636	1,702	1.80
Blackburn with Darwen UA	4.33	59,637	2,585	37	862	1.45
Wirral	4.19	145,544	6,099	251	2,739	1.88
Lancaster	4.11	61,406	2,521	60	807	1.31
St. Helens	4.06	79,317	3,217	0	1,239	1.56
Rochdale	4.02	90,394	3,631	42	1,572	1.74
South Lakeland	3.86	51,932	2,007	0	947	1.82
Barrow-in-Furness	3.72	33,062	1,230	144	640	1.94
Cheshire East UA	3.69	164,955	6,083	36	3,921	2.38
Knowsley	3.68	64,570	2,375	20	677	1.05
Halton UA	3.59	54,407	1,955	0	785	1.44
Wigan	3.47	139,367	4,842	0	2,746	1.97
Ribble Valley	3.33	24,605	820	0	354	1.44
Bolton	3.32	120,921	4,012	0	2,179	1.80
Chorley	3.22	45,706	1,470	0	345	0.75
Cheshire West & Chester UA	3.12	146,626	4,571	1	2,303	1.57
Fylde	3.02	36,248	1,095	80	448	1.24
Bury	2.94	81,160	2,389	0	1,342	1.65
Stockport	2.91	125,667	3,661	0	2,337	1.86
Trafford	2.84	96,511	2,743	0	1,188	1.23
Carlisle	2.80	49,244	1,380	0	860	1.75
Copeland	2.79	32,702	912	0	591	1.81
South Ribble	2.61	47,549	1,240	0	276	0.58
Wyre	2.51	49,671	1,248	0	1,248	2.51
Warrington UA	2.46	87,988	2,163	0	580	0.66
Preston	2.37	59,953	1,421	74	1,347	2.25
Blackpool UA	2.34	69,995	1,640	0	1,450	2.07
Tameside	2.04	98,878	2,019	0	1,858	1.88
West Lancashire	1.86	47,418	880	0	22	0.05
Eden	1.49	25,008	372	0	372	1.49
<b>North West</b>	<b>3.99</b>	<b>3,141,733</b>	<b>125,235</b>	<b>3579</b>	<b>61017</b>	<b>1.94</b>
<b>ENGLAND</b>	<b>2.85</b>	<b>22,847,142</b>	<b>650,127</b>	<b>7961</b>	<b>287558</b>	<b>1.26</b>

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Source reference (published on the CLG Website)

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/localauthorityhousing/dataforms/hssa0910/hssadata200910/>

Also it must be noted that the Sefton figure above is a REVISED April 2010 figure-following a review of the previous methodology -rather than the reported one.

It is worth stressing that all of this data (for all LAs) is dependent on Council Tax records and therefore could be potentially open to error.

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# Agenda Item 15

**REPORT TO:** Cabinet

**DATE:** 3<sup>rd</sup> March 2011

**SUBJECT:** Proposed Amendment to the Overarching Development Agreement with Keepmoat Limited in respect to land at Pine Grove.

**WARDS AFFECTED:** Derby

**REPORT OF:** Alan Lunt - Neighbourhoods and Investment Programmes Director

**CONTACT OFFICER:** Tom Clay, HMR Programme Manager  
0151-934 4849

**EXEMPT/ CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To request approval to amend the Overarching Development Agreement (ODA) with Keepmoat Limited to enable a housing scheme to progress.

**REASON WHY DECISION REQUIRED:**

The Neighbourhoods and Investment Programmes Director does not have delegated authority to make decisions relating to such matters.

**RECOMMENDATION(S):**

That Cabinet agrees that, in order to progress the scheme at Pine Grove, Keepmoat funds the financial gap from its own resources, in exchange from them being able to retain 100% of any overage until the gap of £36,756 has been eliminated, at which point, the overage arrangement will revert to that currently within the ODA, and that the legal agreement in respect to this scheme is altered to permit this.

That the Acting Head of Corporate Legal Services be authorised to amend the ODA accordingly.

**KEY DECISION:** No

**FORWARD PLAN:** N/A

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**IMPLEMENTATION DATE:** Upon the expiry of the call in period for the minutes of the meeting

## **ALTERNATIVE OPTIONS:**

The Council could decide to delay development until the scheme is financially viable. However, existing funding for the provision of social housing would be lost with no guarantee of its future availability. Alternatively, the Council could fund the 'gap' from its own resources. However, no such resources are identified and the scheme could therefore not progress, leaving an undeveloped site that would detract from the previous significant investment that has taken place in the area.

## **IMPLICATIONS:**

**Budget/Policy Framework:** None

## **Financial:**

The Council will forego potential overage of up to £36,756, but avoid having to find this sum at the present time. Keepmoat takes the risk that they make a loss on the scheme. If that is the case, no liability will fall upon the Council to meet any financial 'gap' in viability.

No income projection has been included for overage on this scheme. Therefore, any overage secured would be seen as a 'windfall'.

	<b>2010/2011</b>	<b>2011/</b>	<b>2012/</b>	<b>2013/</b>
<b><u>CAPITAL EXPENDITURE</u></b>	<b>£</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Gross Increase in Capital Expenditure	0	0	0	0
Funded by:	0	0	0	0
Sefton Capital Resources	0	0	0	0
Specific Capital Resources	0	0	0	0
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure	0	0	0	0
Funded by:	0	0	0	0
Sefton funded Resources	0	0	0	0
Funded from External Resources	0	0	0	0

Does the External Funding have an expiry date? Y/N	When? N/A
How will the service be funded post expiry?	

**Legal:** These changes will involve a minor adjustment to the Overarching Development Agreement between the Council and Keepmoat PLC.

**Risk Assessment:** The risks of no overage will lie with Keepmoat as a result of this proposal.

**Asset Management:** N/A

**CONSULTATION UNDERTAKEN/VIEWS**

LD 00058/11 - The Head of Legal Services has been consulted and his comments have been incorporated into this report.

FD666 - The Interim Head of The Finance & IS has been consulted and has no comments on 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		X	
2	Creating Safe Communities	x		
3	Jobs and Prosperity	x		
4	Improving Health and Well-Being	x		
5	Environmental Sustainability	x		
6	Creating Inclusive Communities	x		
7	Improving the Quality of Council Services and Strengthening local Democracy		X	
8	Children and Young People	x		

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

October 6<sup>th</sup> 2005: Adoption of Overarching Development Agreement with Keepmoat PLC in respect of the Bedford / Queens and Worcester Housing Market Renewal Neighbourhood

# Agenda Item 15

## 1.0 **Background**

- 1.1 This scheme is for a new housing development at Pine Grove in Bootle on land which is owned by the Council and was previously a Council depot. The site is severely contaminated. The scheme consists of 31 houses. Of these, 16 are for sale, 6 for shared ownership (Homebuy) and 9 for social rent. Riverside Housing has agreed to use recycled capital grant and private borrowing to fund the cost of the social rented and Homebuy units. The scheme has full planning consent and can commence on site as soon as a Building Agreement is completed.
- 1.2 Because of the current market values, which dropped dramatically during the 'Credit Crunch', and have risen only marginally since, the residual value calculation for the scheme shows a negative value of -£36,756. The funds to cover this negative value through 'gap funding' are not available within the HMR budget.
- 1.4 Under the existing Overarching Development Agreement (ODA), in the event of prices received upon the sale of units being above the values used at financial appraisal stage to demonstrate viability, any additional income is shared equally between Keepmoat and the Council as part of the 'overage' agreement contained in the ODA.
- 1.5 In order to progress the scheme, Keepmoat has proposed to fund the gap from its own resources, in exchange from them being able to retain 100% of any overage until the gap has been eliminated, at which point, the overage arrangement will revert to that currently within the ODA. To achieve this requires a change to the legal agreement in respect to this scheme, for which Cabinet approval is required.
- 1.6 It is therefore recommended that Cabinet agrees that the ODA be amended in respect to the Bedford Road and Queens Road redevelopment scheme such that the gap in funding for the scheme can be funded by Keepmoat Ltd from its own resources, on the basis that Keepmoat Ltd will then retain any overage which arises on the scheme until the gap in funding has been eliminated, whereupon the overage arrangement will revert to that currently applicable.

<b>CABINET REPORT</b>		
<b>COUNCILLOR</b>	<b>PORTFOLIO</b>	<b>DATE</b>
Ian Moncur	Cabinet Member for Children, Schools & Families	3 March 2011

### **St. Wilfrid's Consultation**

As previously reported the St Wilfrid's consultation closed on the 10<sup>th</sup> December 2010. The CSF Cabinet Member Meeting to discuss the proposed options took place on 18<sup>th</sup> January 2011 and the outcome of the meeting was that the option to publish a statutory notice for proposed closure was approved with an amended proposed closure date of 31<sup>st</sup> December 2012.

### **MYP Election**

I attended, together with other Elected Members, the announcement of the results of the recent Elections by young people across the Borough for their Members of the Youth Parliament. As usual there was a high turnout to votes cast and the following young people were elected to serve as Sefton's Youth Members of Parliament for 2011/12 - Sankeethana Arulsabefan and Eleanor Gleeson. They will be supported by 4 Deputies and Youth Cabinet Members who were elected as part of this process. The result was announced by our Chief Executive, Margaret Carney, who paid tribute to the work led by the MYPs. I wish them every success in their important roles in representing the voice of Sefton young people.

Can I extend my thanks and admiration to April Barrett and Georgia Briggs the retiring Youth MYP's and their Deputies – Matthew Bishop, Ryan McFarlane and Karen Williams. They have done a wonderful job in promoting the voice of young people within Sefton, across the region and nationally in the UK Youth Parliament. Well done.

### **Thornton new Special Educational Needs Facilities**

Members will be aware that Capital Funding has been secured and approved for the development of a new Special Educational Needs (SEN) provision for young people aged 16-19. This will be developed from the buildings of the former Thornton Community Primary School. The new centre will be operational in September 2011 when it will welcome its first intake of students. The provision is being developed as part of a partnership between Hugh Baird FE College and our special schools of Merefield, Rowan Park, Presfield, Crosby High and Newfield. There is much excitement by parents and students as to this new provision, which will offer a range of pathways for young people with SEN.

## **St. Oswald's Primary School**

I recently attended, together with a number of Councillors, the Opening of the extended and refurbished buildings of St. Oswald's Primary School. The Opening was led by the Bishop of Warrington and Councillor Maureen Fearn, the Mayor of Sefton. It was delightful to share in the celebration of the pupils, parents and broader community of St. Oswald's. I was also delighted to hear from Unicef that St. Oswald's had received the Rights Respecting School Award – which does not surprise me because of the high standards demanded by this international award were reflected in the young people I met during the visit.

CABINET MEMBER'S REPORT		
COUNCILLOR	PORTFOLIO	DATE
Peter Dowd	Cabinet Member Communities	3 March 2011

## Community Safety Partnership (December 2010 - January 2011)

### Community Payback

Deployed weekly across the full Sefton region and managed by Strategy Support Officer. Main headlines for weekly work include:

- General clean up and litter pick of canal at rear of Satinwood Crescent (Melling)
- Dog Fouling removal and litter pick at Kingsway Park as part of Kite Mark exercise
- Graffiti removal at various parts of Southport town centre.

Work by the service has seen removal of over 130 bags of dog fouling and litter, 3.29 tonnes of fly tipping and undertaken 454 hours of unpaid work.

Year to date figures, across all areas of Sefton, shows Merseyside Probation's Community Payback team have worked 11,614 unpaid hours, removed 3,481 bags of litter and dog fouling and 109 tonnes of fly tipping.

### Drug Action Team

In 2009 Sefton DAT was awarded national pilot status under the Government's Drug System Change Programme. The objective of the programme is to develop new ways of delivering drug treatment in order to achieve improved outcomes for drug users, their families and local communities. The Essence of the Sefton pilot is whole system change and to offer the lessons we learned to all other DAT partnerships across the country. The pilot will officially end in March 2011 and the DAT is about to commence an internal self-evaluation of the changes we have made to the drug treatment system in Sefton. External evaluation is also being undertaken by the National Treatment Agency. As part of the evaluation process and because Sefton DAT is committed to 'share the learning', we will, over the next few months, play host to a several senior officials from the NTA, Home Office, Department of Work and Pensions etc.

The Coalition Government published its new 5 year drug strategy and the new clinical guidance to accompany the strategy remains outstanding. The third piece in the jig-saw is the budget settlement via the National Treatment Agency, and this too remains in abeyance. When the DAT is in possession of all three pieces of the jig saw it will be possible to review all existing services and plan recovery based services for the period up to 2014.

### Anti Social Behaviour Unit

The Government has announced that 8 national Police Forces (not including Merseyside) are undertaking a seven month pilot project designed to respond quickly to ASB by early identification of victims and responding to their needs.

The pilot project will focus on creating an effective call-handling system, better and quicker identification of the most vulnerable victims and improvement of information sharing and working between Police, ASBU and agencies in Social Services. This is the system which has been used, very successfully, for

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sometime in Sefton. A good example of this is that the ASBU SPOC officer contacted one victim in Maghull on Christmas Eve who confirmed that due to adverse weather she was unable to leave her home. ASBU officer therefore arranged for local Police to attend her and to take her provisions, which she needed.

Other actions undertaken by the team include:

- Attendance at a meeting to discuss latest ASBO target in Southport North East neighbourhood with colleagues in One Stop Shop (Cambridge Walks). Undertook education on the "Lets Stop ASB campaign" which included speaking to a number of local residents and distributed over 60 publicity bags.
- Visit to Southport to help colleagues from MFRS with distributing letterbox fire bag and take details of possible threats.
- Continuing to work with several high risk victims across the whole of Sefton (Netherton, Crosby, Southport) including case review meetings at the three Police Stations at Copy Lane, Southport, Formby, Bootle and Crosby
- Continuing to oversee Gang Related Violence Injunctions and investigations, and team has attended Domestic Violence MARAC, Youth Crime Justice Group, ASB Governance Group (multi agency), serious acquisitive crime meetings and CSAP meetings.
- Identified offenders for ASB at Formby Pool, attended 6 ABC appointments, submitted 7 gang injunction files to Legal Services at Merseyside Police, and updated a CRASBO for nominal who has been kept in custody and processed a further CRASBO application at the request of Southport North East N/Hood.
- Chaired NAG in Southport, engaged with Police colleagues about re-starting Police Quad Bikes, and various members of the team acted as a Single Point of Contact (SPOC) for 2 vulnerable victims
- Attended Restorative Justice training Effective Management Training (with Merseyside Police), Coaching Facilitators session, supported Student on work experience, met with Contact Centre staff to review new referral process on ASB cases and managed initial new referrals received from Contact Centre.
- Reviewed and gathered evidence for ASBO application Crosby area
- All officers engaged in case management, updating records and reviewing cases where officers must evidence decision, rationale, actions and outcomes for each case so as to create an auditable investigation record

Present caseload – 142 live cases and supporting 11 Vulnerable Victims

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## **Media / Marketing / Communications**

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Early signs show a successful "Christmas Presence" campaign in terms of advertising with articles published in the Midweek Visiter, Formby Times, Bootle Times and Maghull & Aintree Star. A formal analysis of the whole campaign is to be held in early February.

Referrals continue to be received following the "Lets Stop Anti Social Behaviour" campaign launch in 2010, and all referrals are actively being pursued by ASBU team.

Attended a session at Birkdale High School to observe some work with the Year 9 pupils on cyberbullying and Hate Crime. Representatives from the police's SIGMA unit and BullyBusters gave presentations to the students and the day included a visit from Gee Walker from the Anthony Walker Foundation and Liverpool & Everton Football clubs.

Commenced work with Drug Action Team to research and plan a campaign to challenge the perceptions residents have of drug users, as well as reassure and inform them of the treatment services and recovery rates. Focus groups have taken place in Bootle and Southport Town Halls with residents from specific geographical locations and/or specific age categories so that we can gather the views of a cross-section of the community.



Attendance at photo shoots with some of the Best Bar None winners to present their plaques and trophies. Two further days of photo shoots have been arranged for future weeks.

Attended at the Marion Square shopping area where the Let's Stop Anti-Social Behaviour Together Advan was parked up, working with PCSOs and the SSO handing out goody bags and information on how to report anti-social behaviour.

The latest edition of "Snapshot" was completed and published on 31st January.

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## **Civil Contingencies**

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Following an oil spill in Liverpool, Civil Contingencies team attended twice daily meetings and updated the Senior Leadership team and, separately, attended Civil Contingencies Enhancement Programme briefing in Liverpool.

The team also took part in a mass fatality exercise in Preston and continued further work on the current "Whiston bid" (a Home Office bid to make Whiston Hospital the epicentre of mass fatalities policy) as well as reviewing the financial contributions for Sefton to Merseyside Local Authority Contingency Planning and local Resilience Forum functions.

Assisted St Jerome's Primary School with their emergency plans (re: school trips), and liaised with The Triad (HMRC) (re: evacuation plans). Attended Grand National Emergency Planning meeting and the "Winter Pressures" meeting, taking actions to produce an addendum to the Severe Weather plans.

Liaised with Communications Department regarding message outputs and Community Resilience regarding temporary mortuaries, as well as Merseyside Police regarding Sefton Resilience Action Group 2011 plan. Chaired Mass Fatalities Local Authorities meeting

Reviewed Mass Fatalities Activation Document (which differs from plan) and delivered a Business Continuity presentation at Formby Golf Club (21st January). Reviewed Sefton's proposed changes to Emergency Preparedness, following Cabinet Office advice and met with Environmental Protection Department to discuss their revised Departmental Emergency Plan.

Reviewed the revised River Mersey Aircraft Rescue Plan and Sefton's Corporate Risk Register 2011. Researched and engaged with colleagues on issues raised on Climate Change and worked on aims and objectives for Coroners Mass Fatalities meeting.

Reviewed Lancashire's mass fatality plan and produced paper on the Strategic Lead officers group for Senior Management Team.

Liaised with CTSA regarding counter terrorism training and significant events on 2011 calendar, and reviewed objectives for Sefton's Resilience Action Group.

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## **Strategy Support Officers / Community Safety Area Partnerships**

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Major headlines for work of Strategy Support Officers and Community Safety Area Partnerships:

- Six month reviews completed for each CSAP area, with positive results in each area on the different priorities and agreement of the "Winter Priorities".
- Chaired monthly CSAP meetings for January, and undertook actions agreed by the Partnerships
- Undertook visit to Netherton resident, who suffered fire to back fence, abutting Abbeyfield Park and arranged appropriate reparation work.
- Held meeting with local youth provider to discuss opportunities of promoting innovative school programme in Bootle and Southport.
- Received and reviewed artwork for Sefton specific Hate Crime Booklet, and then took to publication.

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- Commenced planning a zoning exercise on Rimrose Valley Park to aid Police recording methods and possibly for the wider community purposes.
  - Commenced discussions with British Transport Police, to agree a protocol on the sharing of relevant information for the CSAP partnerships (in conjunction with AIM Team) and to strengthen the linkages between the CSAP process and representatives of BTP.
  - Attended a Counter Terrorism local profile Multi Agency Action Plan Meeting in which various objectives were looked at for Sefton's profile; the Group will meet again in February after relevant information has been collated seeking to complete a plan later in 2011.
  - Attended an Acquisitive Crime Partnership working group looking at sharing of best practice.
  - Commenced discussions with Bootle based Youth Club to spread best practice exercise they have undertaken into other areas of Sefton. Discussions will continue into 2011.
- 
- The Christmas Presence Campaign was completed and a full debrief is being organised for early February, however some early headlines from the campaign include 3 arrests and 8 follow up visits on victims of domestic violence, 71 visits made to licensed premises across the area and 1 arrest and two further warnings being issued for the possession of a controlled drug through use of the knife arch.
  - Attended meeting with OVH and partners to support Keep Britain Tidy Kite Mark in Kings Park and arranged for Community Payback to attend the Park prior to the assessment.
  - Attended Kings Gardens (Southport) steering group to offer expertise on designing out crime in proposed play areas.
  - Fence repaired in Crossens Park, Southport following site survey and family visited with ASBU following up.
  - Attended Pan Merseyside Hate Crime meeting to share best practice and identify ways of working together making a more co-ordinated response to the crime with shrinking resources.
  - Meeting with Independent Initiative regarding appropriate reporting methods for clients (drug rehabilitation).
  - Site visit to Gordon Avenue, Maghull to look at perceived ASB issues and followed up possible solutions with Police and other Partners.

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## Performance

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Percentage of people from different backgrounds who get on well together increased by 5.3% on previous year and percentage of people who feel they can influence decisions affecting their neighbourhood increased by 7.8% on last year – based on latest results of area survey.

Latest performance shows all ASB for December 2010 down 7% on December 2009, Rowdy/Inconsiderate Behaviour for December 2010 down 5.6% on December 2009 and Domestic Burglary for December 2010 up 12% compared to December 2009

Most Serious Violence YTD (to end of December) reduced by 22% compared to same period last year & 13% below target. Racially/Religiously Aggravated Crime YTD (to end of December) reduced by 6.5% compared to same period last year. Serious Acquisitive Crime YTD (to end of December) reduced by 6.4% compared to same period last year & 10% below target. Burglary Dwelling offences YTD (to end of December) increased by 12.5% compared to same period last year & 3% above target

## SAFER, STRONGER COMMUNITIES (week commencing 31 January 2011)

### National Picture

**Gang Injunctions** – Launched on 31<sup>st</sup> January, Gang injunctions are designed to break down gang culture by imposing prohibitions and requirements. These could include being barred from entering a certain geographical area, being in public with a particular species of animal (for example a dog which had previously been used as a weapon) and wearing certain 'gang colours' in public. Individuals will also be required to participate in positive activities such as being mentored. The powers apply in England and Wales only. (source – Home Office website)

**Crime Mapping** – Launched on 1<sup>st</sup> February, Home Office launched a street level online "crime mapping system" for England and Wales, which "...allows users to see which offences have been reported in their local streets." It is based on the national crime figures and information on six categories can be searched - burglary, robbery, vehicle crime, violence, other crime and anti-social behaviour. (Sex crimes have been included in the "other" category, along with crimes such as theft and shoplifting, to help prevent victims from being identified). The government believe the site is an important part of its "transparency agenda", making the data available in an open format so that communities could use it to "help people engage with the police in a meaningful way". (source – Home Office website).

## **Sefton Work**

**Community Payback** – Working last week across Sefton throughout the different Area Committee Areas (primarily in SONO), Merseyside Probation's Community Payback team undertook tasks that had been highlighted by Park Rangers in Marion Gardens (SONO) - assisting ground maintenance team by removing glass embedded in ground near to seating area, Moorhey Road (dog fouling stencils) and various locations with Litherland and Ford, following recommendations from Cllr Kelly's walkabouts.

**Strategy Support Officer/Community Safety Area Partnerships** – Meeting with Independent Initiative and Police to facilitate the reporting of incidents from their Vulnerable Clients to assist with their drug use rehabilitation. Attended Serious Acquisitive Crime Meeting, and met with Sefton MBC's Coast & Countryside and Police to look at data transfer and zoning of the Rimrose Valley Park. Site visits to two particular properties of vulnerable clients with MFRS where repeat victimisation is occurring (SONO). Site to Gordon Avenue (Maghull) to work with Police and residents experiencing youth related ASB. Met with Brunswick Youth Club on Outreach work from the Centre and met with North Park Steering Group on master planning for 106 monies in the park. Supported the award of Green Flag Status in Kings Park, Crosby, and facilitated the inaugural meeting of Operation Beachsafe for 2011. Finalised the draft review of Section 17 on behalf of the Local Authority and completed decommissioning exercise for service. Attended the Christmas Presence Campaign wash up meeting; full results of which will be included in next week's update report.

**ASBU** – Following work by Sefton's Arson Reduction Officer, a 22-year-old male was given a three year suspended sentence and ordered to carry out 100 hours of unpaid work in the community, after being found guilty at South Sefton Magistrates Court charged with arson and making malicious phone calls to the fire service and police. The individual pleaded guilty to four charges of making calls last year and he also pleaded guilty to setting fire to two wheelie bins of a neighbour's in November. Elsewhere, the team have been gathering and finalising files for ASBO on a B1 nominal (significant amount of work within one ASBO application for a standard suitable for legal submission) and updating all live files on HUB system. They attended meetings on Beachsafe, Serious Acquisitive Crime Group, with Formby residents (with Ch Supt Pilling), and Police colleagues on local ASB issues across all police areas. The team continues to develop a Gang Injunction protocol, and reviewed feasibility for a RIPA (Regulatory Investigatory Powers Act) covert surveillance application. Continued to gather evidence for further Southport nominal for possible ASBO application and reviewed missing from home/ASB legislation regarding ongoing issues at private care homes for young people.

Liaised with OVH regarding high risk victims and with numerous contacts and visits with victims, across the Borough some of which are high risk. This is primarily completed by ASB Victims champion as well as investigating officers and PCSO's. All support visits documented. They also attended a meeting with Seftons Women and Children's Association (SWACA) on a Vulnerable Victim case.

**Civil Contingencies** – Attended Merseyside Local Authority Contingency Planning Group meetings to discuss SLA's across Merseyside, and reviewed Aintree Racecourse activation with CTLP officers. Reviewed Mass Fatality Options document in meeting with Working Group, and reviewed National Emergency Mortuary Sites (NEMA) sites in line with new assessments and criteria. Continued dealing with feedback from the Business Continuity Conference presentation, and prepared for meetings to discuss Business Continuity and emergency planning arrangements with Strand Shopping Centre Management. Arranging meetings to discuss "Business Continuity Awareness Week" and the potential launch of a Sefton Business Resilience Forum and updated Sefton's Emergency Planning risks in line with Cabinet Office Risk guidance documents and Merseyside Community Risk Register.

# Agenda Item 1.7b

**Communications** – The first 2011 edition of Snapshot has been sent to colleagues and partners and will be added to Sefton Council's Intranet shortly. Visits have been made to more of the licensed premises who were mentioned in Best Bar None Campaign, where awards were presented, photographs taken and quotes obtained. When all the venues have been visited (after 8 February) further co-ordinated media coverage will be undertaken and information added to Safer Communities website – [www.respectsefton.co.uk](http://www.respectsefton.co.uk). Editing work and preparation of the CSAP end of year review document continues with SSOs.

## Performance –

Category	Jan-10	Jan-11	Change	Percentage Change	Direction of Travel
Abandoned Vehicles	52	26	-26	-50.0	▼
Animal Problems	35	36	1	2.9	▲
Begging/Vagrancy	1	7	6	600.0	▲
Hoax call to emergency services	18	26	8	44.4	▲
Inappropriate use/sale/possession of fireworks	3	3	0	0.0	▶
Malicious communications	58	66	8	13.8	▲
Noise	33	16	-17	-51.5	▼
Environmental Damage / Littering	2	2	0	0.0	▶
Nuisance Neighbours	89	126	37	41.6	▲
Rowdy or inconsiderate behaviour	549	409	-140	-25.5	▼
Street Drinking	0	5	5	N/A	▲
Trespass	2	3	1	50.0	▲
Vehicle Nuisance / Inappropriate Vehicle Use	61	55	-6	-9.8	▼
All ASB	903	780	-123	-13.6	▼

Overall ASB has reduced by 13.6% for January 2011 compared to the same month last year with 6 of the 7 ACA's across the borough having reductions in the level of ASB. Southport is the only ACA to suffer a rise with ASB UP 10% on last year. The rise in Southport is largely due to a 58% (41 from 26) rise in Nuisance Neighbour calls and a 75% (14 from 8) rise in Vehicle Nuisance. The biggest concern for ASB is Nuisance neighbour calls for service which rose in 6 of the 7 ACA's (only Formby had a reduction in calls). Worst affected areas were SEP with a rise of 133% (6 to 14) and Linacre/Derby up 77% (13 to 23). Most pleasing is the 25.5% reduction in Rowdy/inconsiderate behaviour, which is good proxy indicator for YCA. No ACA had an increase in calls for service and 6 had reductions in calls, Crosby remained unchanged. Biggest reductions were achieved in Formby down 60% (40 to 16) and SONO down 49% (90 to 46). Also pleasing was that Animal Related problems remained fairly static, having been identified as becoming a major issue and concern. With significant rises over recent months meaning it was adopted as a CSAP priority by some areas

## NEIGHBOURHOODS

Participatory Budget (PB) in Manor and Church is progressing well.

### Manor Ward

- Landscaping to the green on Whitemeadow Drive and planting along Williams Way, has been completed.
- Saturday skips are still being provided and will carry on until the end of the financial year.

### Church Ward

- Intergenerational Youth Project has carried out a gardening project in the Seaforth part of Church and young people have distributed hanging baskets that they made to residents in Dewlands Road. Some young people dropped out of the scheme and the funding has been directed to working with siblings who have been identified by Youth Service as a group who would benefit from some one to one work. The remaining young people will have recently attended a residential outward bound centre.
- A Project to paint mural on the side of Cocoa Sheds located at Seaforth Docks has is underway. Costings for scaffolding and materials are being sought and we a new steering group has been formed involving local residents and the artists.

- A Dog Fouling Project has been carried out in Church ward which included extra enforcement action and awareness raising activities being carried out. Environmental enforcement have reported back to the Church Ward Forum about the success of the project.

## **Business Neighbourhoods Update**

- Business Neighbourhoods looking to expand a Business radio link with traders and businesses across the borough to try and generate an income for Sefton Council. Targeting vulnerable businesses.
- Improving vacant premises on Stanley Road using Step Clever programme. Delivering the message that HMRI will not be developing the commercial properties in the foreseeable future as part of the Bedford/Queen programme.
- Putting a schedule in place to deliver improvements to derelict and semi-vacant properties in Linacre Bridge area. Work to commence when weather improves.

## **Area Management Update**

- Area Committee meetings continue to be managed and supported by Neighbourhood Area Coordinators as do the Parish Council meetings.
- Working with senior officers and Elected Members on the Localism Bill and the consideration of the implications for Sefton is on-going.
- Consultation on Area Partnerships continues with discussions with all political parties and key partner agencies (recent presentation and discussion with Health and Social Care Forum).
- Neighbourhoods continue to support Parish's in the development of Parish Plans. Neighbourhoods have offered to provide guidance, support and officer time to applying to take part on the Neighbourhood Planning Vanguard Scheme. This is a new pilot scheme managed through central government to enable neighbourhoods and parish councils to have more of a say in planning processes.
- Elected Member engagement and support continues to be provided in terms of coordinating services in responding to the needs of residents/Elected Members
- A rolling programme of presentations with senior officers across the Council continues with regards to the agreed changes to Area Committee processes. This process has been slowed by the amount of senior officer time being dedicated to budgetary concerns.
- Support continues to be provided to a large number of residents groups (significant examples include organised walkabouts across the borough, installation of slide at Ollery Green park play area, coordination of dog fouling stencilling and fine stickers etc).
- Meeting held on the development of Area Committee Action Plans.
- Meeting held with Corporate Performance teams with regards to Area Profiles and data to help inform Area Committee Action Plans.

## **Section 106**

- Consultation has taken place with area committees to discuss the current process and to look at ways of changing the process to meet neighbourhood need.
- The consensus from the consultation exercise was that any Section 106 not allocated should be used in line with Neighbourhood need (within the requirements of the Section 106 agreement) and that the funding sits with the Neighbourhoods Division to enable the resource to be targets in line with area need/ area plans.
- Further discussions with Planning have taken place and it has been agreed that whilst current section 106 agreements cannot be changed there is flexibility on what the funding can be used on. The current agreement stipulates spend on Greenspace and or trees, however, agreement has been reached that funding can be spent on things such as home zoning (as long as it included landscaping), Multi Use Games Areas etc.
- A member briefing note is being prepared regarding the consultation with member over the current Section 106 process, with a proposed, new, process incorporating issues raised and the consultations, the emerging Area Management structure and changes to the planning process via the Localism Bill. It is hoped that the briefing will take place during February 2011.

# Agenda Item 17b

## Tesco Section 106

- Unlike the majority of Section 106 agreements the Tesco agreement states that the funding should be used for employment and strengthening the local economy.
- Agreement was reached that the part of the Section 106 funding would be used in the Linacre Bridge area of Litherland, which has experienced a number of issues around declining small businesses, anti social behaviour that is making the area more undesirable as a destination of choice for shoppers/service users and business set ups.
- A plan has been compiled in order to address these needs which are currently being implemented.
- Part of the plan is for an Area Management Officer to be located in the Linacre Bridge Area 2 -2.5 days per week and to explore ways that an existing Neighbourhood Office (currently run by LHT) can remain open and for its remit to expand to include other service providers such as other Registered Social Landlords such as One Vision and Riverside along with the police, PCT etc.
- Tesco Section106 will fund the Area Management Officer costs and running costs for the Neighbourhood Office. It is proposed that the project will begin March/April 2011.
- Violet Road is an area that has experienced many problems with anti-social behaviour. Over the years a number of initiatives have taken place to address the issues including two Section 30 orders, however, this has only provided temporary respite. Elected members and the local community identified the need to find a permanent solution to this issue.
- A proposal to block off congregation points and open up Violet Road into Hornby Boulevard, carry out environmental improvements and open up access to Hapsford Park by cutting back shrubs and increasing lighting has been worked up. OVH are also involved and will be concentrating on Hornby Flats and closing off Longfield Park.
- However, before going to final plans its has been agreed that consultation will take place on the above concept in order to gauge public opinion about the proposals, as Violet Road was originally closed off due to an accident that resulted in a fatality.
- We plan to consult with the local community on March 10 2011 about the plans. The consultation will take place for 1 evening and will have representatives from OVH, Halsall Lloyd (Architects for OVH), Neighbourhoods and Highways to take any questions from the public.
- The consultation and engagement panel have agreed to the consultation taking place.
- In order to address the issues around anti social behaviour and its link to the economic decline of the area the plan also included providing additional resource for the police. It is hoped that eventually we will be able to purchase 4 quad bikes for the area that will enable the police to respond to issues quickly and access areas that a car cannot reach. However, there is an ongoing investigation into the use of quad bike by Merseyside Police, and none can be purchased until the investigation has ended. In the interim two mountain bikes have been purchased, with section 106 funding the cost of the bikes and equipment and Merseyside police meeting the costs of the training and ongoing maintenance.
- A family project is also planned and will compliment existing projects such as Think Family, Health Inequalities Initiative, Stronger Communities and the Total Neighbourhoods Pilots.

## EQUALITIES

Public sector equality duties will come in to force April 6<sup>th</sup>. This will place new general duties on all public bodies. These will be accompanied by specific duties instructing public bodies to publish equality data by July 12 2011, in preparation for developing and publishing 'Equality Objectives' by April 2012.

An Equality data report is the profile of service users by protected characteristics. Where there are gaps in data, a period of 12 months is allowed to obtain the information. The data will feed in to the Equality Objectives report' – this report is a statement of what equality actions need to take place and how they will be achieved. This will be made available to the public for scrutiny. In order to meet the July 12 deadline, activity to organise and collate data needs to start now.

## **CABINET – 3<sup>RD</sup> MARCH, 2011**

### **CORPORATE SERVICES – CABINET MEMBERS' REPORT**

#### **CORPORATE LEGAL SERVICES DEPARTMENT**

Our Children & Social Care Team provided advanced legal update training to Team and Resource Managers in Children's Services. This training provided an update upon the developments in child care law in the areas of evidential burden and the 'threshold criteria' with a particular focus on the risks posed by those who have physically harmed children in the past, as well as setting out good practice requirements recently set out by the court when assessing adults with learning disabilities and when working with parents who are the victims of domestic violence.

Quarterly liaison meetings take place with representatives from both the Legal and Children's Services Departments. The most recent meeting considered topics aimed at increasing efficiencies in both services and to promote the already close working relationships between the departments. Matters of particular interest include the status of Regulation 38 placements of children with family/ friends, legal input into training and quality assurance, consideration of children at home under Care Orders and changes in the personnel with management responsibilities for CAFCASS.

Following the planning approval and funding approval for the Thornton-Switch Island Link Road, we are currently working on the draft Compulsory Purchase Order and Side Roads Order that are necessary to take the project forward.

We are also working on a Funding Agreement with the Homes and Communities Agency for the purchase of properties in the Housing Market Renewal Area up to a value of £1 million.

We recently provided Licensing training for members, which was very well received by members who attended.

Finally, we instructed Queens Counsel in respect of a Judicial Review Application to the High Court in respect of a planning permission granted by the Council. Unfortunately, the Judge found against the Council and the planning permission was quashed. The Judge has reserved judgment on the issue of costs.

#### **PERSONNEL DEPARTMENT**

##### **Establishment Control, Pensions, Payroll & HR Transactional Services**

1. The Client meetings continue (now fortnightly) and we are progressing in several areas including the introduction of new process and improving data quality. Protocols continue to be developed as and when required.

# Agenda Item 17c

2. The Establishment Control Panel has now become embedded and is working well. The Panel deal with everything which concerns the engagement of people to work within the Council.
3. Establishment Control will be sending Workforce Data to all Service Directors on a regular basis. Staffing Data is currently sent to all schools on a termly basis.
4. The Pensions Officer is currently working closely with the Transformation team and Personnel Officers in providing redundancy/pension costs.
5. In ResourceLink, access to My View Self Service has now been given to Finance Personnel staff and a plan is being developed to roll it out across the Council, where employees have access to a Council PC.

## **Health Unit**

6. The Corporate Manager post is still vacant and is likely to remain so until the current requirement for savings are met and any revised structures are implemented.
7. The trial of the new Incident Reporting System is now complete and rollout into departments has commenced. As the system is relatively easy to use no formal training has been offered. Instead users are being issued with a PDF training document which should enable easy accessibility and start up. However staff from the Health Unit will be available for further advice, guidance and potentially short briefing sessions wherever necessary. Introduction of the new system should enable statistics to be more readily available as well as easier and less time consuming to produce.
8. Premises Condition Managers Training has now commenced and the first course held on 25 January was both well attended and received. A further three courses have been scheduled during February and March. As the level of interest for courses has been quite high a waiting list has been set up to enable future courses to be organized as soon as there are sufficient candidates.
9. Arvato has approached the Health unit to undertake Stress Audits within three areas of its local office. Although these will be quite time consuming there is sufficient scope within the current SLA to cover these.
10. The Health Unit is currently reviewing its Audit procedure in an attempt to both simplify the existing arrangements and explore the introduction of a Stage 1 and Stage 2 approach. Effectively this would allow more audits to be undertaken across a larger number of area/locations albeit in less depth. This system would also indicate where Stage 2 (more in depth) audits would be needed, where not previously suggested in the Corporate Forum Annual Plan.

## **Corporate Learning & Development Unit**

11. Mainstream CLDU activity remains focused primarily on the identified and agreed priorities of rolling out the Coaching Skills for Managers training programme, further roll-out of the Coaching Strategy and ongoing maintenance of the Management Development and Foundation to Management programme. Of the Coaching Skills for Managers events planned between April 2010 and the end of 2011, 24 are now complete and a further 18 are scheduled between



January – July 2011. The remainder, to cover the whole of the management and senior team leader population, will be scheduled for the second half of 2011.

12. Feedback to date from delegates remains very positive. The programmes are being run jointly by trainers from CLDU and the Social Care and Wellbeing workforce development team, producing spin-off benefits in terms of relationship building between the team. A presentation was given to the Strategic & Service Directors meeting on 7<sup>th</sup> January covering the Programme to date – key themes, both positives and challenges, and next steps. A full proposals discussion document has been prepared for Directors for the further roll-out of the Coaching Strategy. This will go to Directors for input following completion of the senior management review.
13. The corporate Management Development programme continues to run successfully. MDP12 concluded at the end of January with all participants graduating successfully to achieve either their ILM Level 5 Certificate in Leadership or their ILM Endorsed Award. The next programme, MDP 17, also began in January.
14. As part of Workforce Planning CLDU have supported staff who are at risk of redundancy by bringing together a range of agencies such as Job Centre Plus, Nextstep, Sefton @ Work, Adult and Community Learning, Hugh Baird College and Asset Training. The session took place on Friday 7<sup>th</sup> January, 33 people attended.
15. Activity has taken place with Cleansing to promote Work Based Learning. It has been identified that 62 employees will complete an NVQ Level 2 in Waste Management and 58 employees will complete an NVQ Level 2 in Cleaning and Support Services. This will be a rolling programme from February – July 2011 which will be funded by Myerscough College and Asset Training and Consultancy.

## **FINANCE & INFORMATION SERVICES DEPARTMENT**

### **Financial Management :-**

The section has been closely involved in preparing the budget in the light of decisions made by Cabinet and Council and revising the capital programme. Staff have been liaising with service managers to realign budgets based upon the decisions made to date in accordance with the Council's agreed priorities (critical, frontline, regulatory, tiers 1 and 2 services) for input into the Oracle Financial Management Information System. The following activities are currently in progress:

- Service Level Agreements with schools continue to be reviewed
- The review of the use of the Oracle Financial System continues, supported by arvato
- The Finance Integration project is being reviewed in the light of the Council's new senior management structure
- Margaret Rawding, the new Head of Corporate Finance & ICT, is due to take up her post on 1 March.
- Work and processes for finalising the 2010/11 accounts have commenced.

# Agenda Item 17c

## Client Unit (Management of arvato contract) :-

A joint review of the arvato contract is underway and areas for potential savings have been identified.

### **ICT :-**

A new simple email system for Councillors has been built and approximately 40 mailboxes of councillors have been converted. Convenient dates for the remainder of the conversions is awaited from individual Councillors.

The refresh of PC and telephony equipment, undertaken as part of the arvato contract, remains on hold for a period whilst decisions on the shape and size of the Council are finalised.

Proposals for a managed print service with Xerox is nearing completion; it is likely that we will enter into a five year contract for the provision of printer /copiers under a managed service that will deliver financial savings to the Council.

### **Customer Services :-**

Service transition is on hold pending the Customer Strategy review. The pilot service for self serve is ready to go live following service approval, and the final technical implementation.

### **HR and Payroll : -**

The Corporate Finance and IS department have now moved to electronic payslips. Personnel will move to electronic payslips in April. Work has started on the rollout of electronic payslips to appropriate staff across the authority.

### **Revenues & Benefits :-**

The backlog of work created in the Benefits Service due to migration to the new core processing system is now on track to be cleared the end of February 2011. Processing for the Revenues Service is up to date.

New legislation for housing benefit/council tax benefit comes into force from April 2011. An action plan is now in place to cover many issues i.e. training and communication.

The proposed changes for the introduction of the Universal Credit and the localisation of council tax benefit is also being monitored to ensure the Council is well positioned to tackle the relevant changes; a communication plan is being prepared.

### **Creditors :-**

The team continue to process requests for payments within 2 days of receipt and performance is well within targets.

### **Procurement :-**

The procurement and commissioning review has resulted in the targeting of a number of initiatives, specifically within the areas of Children, Schools and Families and Adult Social Care. In respect of the former, Sefton is leading on a Merseyside-wide collaboration to implement a framework solution for the provision of 'Residential Care'.

In addition, a separate exercise is about to commence to put in place a similar solution regarding 'Leaving Care'. Both will improve risk management and deliver operational efficiencies.

The previous Head of Procurement left the employ of the Council in January 2011 and has been replaced by Brian Gibson, who has been involved in project management for a number of years and in particular on the Major Service Review.

Work has commenced within the procurement team to enhance further the I Proc system, introduce a Corporate Contract database system, to take on a regional spend analysis system and a regional estimating system.

### **Insurance & Administration :-**

The Insurance Team working closely with Aon Limited, the Council's insurance Brokers, continue to successfully defend many of claims made against the Council. Despite the Section reducing its establishment from 10 to 7 posts , the team continue to meet deadlines and strive to reduce costs wherever possible.

The report on revisions to the Scheme of Members' Allowances is to be considered by the Council later this month, and work is underway on the information to be presented to the Independent Remuneration Panel in March 2011.

### **Internal Audit :-**

Work is ongoing in regard to the development of a risk based approach to Internal Audit and the planning process. The quarterly monitoring report presented to the Audit & Governance Committee has been redeveloped to outline actual audits undertaken against those planned and approved at the beginning of the year. The report will be further refined to include actual time spent against that planned.

A Fraud Report is also now presented on a quarterly basis informing the Committee of any Investigations or fraud detection and prevention work undertaken by the section.

## **DEMOCRATIC SERVICES DEPARTMENT – ACE**

### **COMMITTEE AND MEMBER SERVICES**

The Team has provided administrative support for the various Council / Cabinet / Committee / Working Group Meetings and general assistance to Members of the Council.

During the period from 13 January to 15 February 2011, the Section has also organised and clerked 2 School Admission appeal hearings, involving 6 applications in respect of 4 High Schools and 1 Primary School.

Arrangements are being finalised for a School Admissions Appeals Training Session to be held on 25 February and School Exclusion Appeals Training Session to be held on 25 March 2011, both at Bootle Town Hall for Panel Members and staff who must have training on the appeals procedures every two years to comply with statutory guidance. Panel members and staff from Knowsley, Liverpool and St Helens have been invited to share the costs which will be met from the School Admissions Budget.

# Agenda Item 17c

The proposals for Modernising Democratic Services, including the draft Programme of Meetings for 2011/12 have been produced and appear as a separate item on the agenda for this meeting and the Council meeting on 3 March 2011

## **ELECTORAL SERVICES**

The Electoral Services team are now making all necessary arrangements for the local and parish council elections on Thursday 5 May 2011.

The proposed referendum on the UK Parliamentary voting system is still being considered by both houses of Parliament. In order for the referendum to be combined with the local elections, the Parliamentary Voting System and Constituencies Bill must receive Royal Assent by the 24 February 2011, however, due to Parliament recess, the Bill must be enacted by the 16 February 2011 to allow for the minimum referendum period of 10 weeks as set out in the Political Parties, Elections and Referendums Act 2000 to be in place.

Should the Bill not received Royal Assent in time, then the referendum must be held before the 31 October 2011.

**OPERATIONAL SERVICES DEPARTMENT**

<b>Sefton Security</b>	<p>The recent bad weather has delayed the installation of a range of new and upgraded systems in Sefton. Technicians are now making great efforts to complete new CCTV installations at St. Oswalds Primary School and Davenhill Primary school. In addition, a new CCTV system has been commissioned at Litherland High School and will be shortly followed by an upgrade to the CCTV system at Hillside High School.</p> <p>Plans are also underway to improve security arrangements at both Hawthorne Road and Forest Road Depots. The increase in the number of services and personnel based at the Depots, coupled with a number of security issues in recent months, requires that movement activated perimeter CCTV is installed which will be monitored 24 hours a day via the Control Room at Sefton Security. A loudspeaker system is also to be installed which operators can use to advise those caught trespassing that they are being recorded and that Police or patrols have been advised.</p> <p>Sefton Security have developed and updated an increased range of Service Level Agreements for 2010/11 covering both CCTV and Mobile Patrol monitoring regimes. These Agreements contain very prescriptive and challenging targets. However, they are considered by National Security Agencies to reflect the needs and wishes of clients in times when security arrangements are at the fore. The targets place Sefton Security in the top quartile of bodies offering such services coupled with documented response times. Response and monitoring data is evaluated on a monthly basis and so far all commitments have been met in full.</p>
<b>Cleansing</b>	<p>The new 'Zoned Collection Service' has now been operating for one month. Initial problems centered around the slow delivery of letters by Royal Mail. This was followed by a short period which saw 'pool' staff from across the service being allocated to assist crews and zones where tonnages were initially fluctuating greatly. This was especially prevalent in the south of the Borough.</p> <p>However, of the hundreds of thousands of collections made during the first month of the new system, some 98% of all collections have been undertaken as detailed in the calendars provided.</p> <p>The recycling contractor has also suffered initial collection problems, mainly due to resource allocation, but in a higher volume than that incurred by the in-house refuse collection service. This has been dealt with via contractual procedures and a performance deduction has been levied against the contractor in recompense for the at times poor performance. However, with four weeks passed since the introduction of the new system, the recycling collection levels have now returned to those delivered pre-christmas.</p> <p>The 'dry' recycling tender process has now closed, and all submissions are being evaluated by a number of Officers within the Council. The results will be communicated to Members in March with a recommendation to award the contract accordingly. The new contract commences on April 5<sup>th</sup> 2011; however, arrangements are in place to cover the period up to July 2011. This will allow adequate time for the expected mobilisation period, especially as it is envisaged that new equipment and machinery will be provided by any successful contractor.</p> <p>Street cleansing routines and schedules are currently being revised to reflect changes agreed by Members in relation to making necessary efficiency savings, with a full report of options due to be presented to Members in May. Staff currently 'at risk' within WNF funded posts and static toilet attendants are currently being given assistance by Corporate Personnel to be redeployed within the Council or being given special assistance to be re-trained or re-skilled for the external market place.</p>

# Agenda Item 17d

<b>Catering Services</b>	So far 2010/11 has proved to be a difficult year for Catering Services. An increase in food costs, coupled with the requirement to produce high quality food at the lowest cost possible, whilst also incurring the lowest possible overheads, has led to great pressure being brought to bear on both frontline service providers and service management. As the service moves into the final quarter, indications are that the tough financial targets imposed will all be met, as well as achieving the desired outputs in terms of staffing requirements and operational overheads.
<b>School Crossing Service</b>	In January one of Sefton's School Crossing Patrols won the Northwest "Lollipop of the Year" award. Parents, teachers and pupils were asked to vote for the Patrol that they thought was the best. Emily Jones, who covers Farnborough Road crossing in Southport, was the winner for the whole of the Northwest region. Emily was recognised for her hard work, determination and commitment to the community as a whole. She helps to keep the children and adults safe when crossing the road, and contributes to a safer environment for all. Pupils submitted pictures, poems and short stories to show exactly how much she is appreciated. She is held in such high regard that some children who have now moved to High School still go to school via this route just to keep in touch with Emily.

## ENVIRONMENTAL & TECHNICAL SERVICES

<b>Southport 'Operation Collar'</b>	Weekend and evening enforcement activities for dog fouling and litter dropping offences have resulted in the issue of 71 fixed penalty notices being served for offences in the Southport Area Committee area. The "additional" out of hours enforcement activity over and above normal enforcement work was paid for by Southport Area Committee and targeted areas chosen by Ward Councillors as being problem hotspots. Of 381 dog walkers stopped 364 were carrying bags to clear up after their dogs. The remainder received a warning. Positive feedback was received from many responsible dog owners who were pleased to see more enforcement action at unexpected times.
<b>Waste Strategy Development</b>	Public consultation on the key themes for the Statutory Merseyside Joint Municipal Waste Management Strategy is complete. The Regeneration and Environmental Services Overview and Scrutiny has considered the key themes that have emerged and endorsed the direction of the strategy. A formal draft strategy will now be produced for Merseyside wide consultation prior to being proposed for adoption by the constituent Councils by the end of 2011. The strategy focuses the direction of waste service development for each of the Merseyside Councils who collectively spend in the region of £100 million per year collecting and disposing of over 800,000 tonnes of household waste.

**Councillor D Tattersall**  
**Cabinet Member Environmental**

## **CABINET MEMBER - HEALTH AND SOCIAL SOCIAL**

### **REPORT TO CABINET - 3<sup>RD</sup> MARCH 2011**

#### **Carers Strategy**

There are now 14,478 carers registered with Sefton Carers Centre. These carers have access to information via regular newsletters and the availability of the Carers Centre Helpline, drop-in and outreach services.

46 carers have attended the 'Caring in Confidence Programme'. The aims being to help carers make a positive difference in their lives and the lives of the person they care for. The evaluation indicates that carers have enjoyed the course and felt more confident in their caring role as a result.

Sefton Carers Centre has had a total of 966 carers attend a variety of training events and courses through 2010.

128 carers have received a direct payment for goods or services to support them in their caring role. These have varied in use to enable carers to

- Reduce stress
- Take a break
- Prevent the risk of carer breakdown
- Promote health and well being
- Reduce the likelihood of financial hardship

A total of 418 sets of residential respite vouchers have been issued as well as 8850 domiciliary home care vouchers, which enable carers to take a short break whilst the person they care for is looked after in their own home. There has also been 13,444 days/nights residential respite in nursing or rest homes funded through the Community Care panel thereby benefiting 359 carers of people with complex needs.

#### **Learning Disabilities**

##### **Getting Involved Group**

The 'Getting Involved Group' plans to meet at least 6 times during 2011 and link its themes to those of the Learning Disabilities Partnership Board. The three core themes they will focus on are Employment, Health and Housing.

##### **Learning Disabilities Health Self Assessment and Performance Framework**

This was the first year that it has been undertaken in the North West and as a region services scored an Amber rating over the four top targets.

- Top Target 1 – People still in hospital settings – overall rating GREEN  
The PCT confirmed evidenced that it had nobody living in NHS campus accommodation.

# Agenda Item 17e

- Top Target 2 – Access to mainstream NHS services- overall rating GREEN  
There are excellent examples of data collection and using these to develop equal access to services, including increase in screening activities and health promotions.
- Top Target 3 – Safety – overall rating AMBER  
Evidence demonstrated development in the area of safeguarding people with a learning disability to uphold their right to make their own choices and to be supported to do this it was acknowledged that further work is required.
- Top Target 4 – Services for those needing more support – overall rating GREEN  
People with learning disabilities and their families are supported and empowered. There are thorough, well functioning partnership agreements guiding commissioning and service provision. The needs of people with learning disabilities who are aging are contained in the Joint Strategic Needs Assessment.

## **NHS Sefton Healthy Lives Healthy People**

*Healthy Lives Healthy People* builds on the NHS White Paper *Equity and Excellence Liberating the NHS* published in July 2010. The White paper for Public Health outlines government's commitment to protecting the population from serious health threats, helping people live longer, healthier and more fulfilling lives and improving the health of the poorest fastest.

It responds to Professor Sir Michael Marmot's *Fair Society, Health Lives* report and adopts its life course framework for tackling the wider determinants of health.

A consultation is underway on the White Paper and a number of supporting documents. A document giving a summary of the papers, a list of consultation questions and how individuals and local groups can contribute to NHS Sefton's response is available. A strategic response will also be submitted from the Chief Executive of Sefton Council and NHS Sefton.

## **Sexual & Domestic Violence**

The Vulnerable Victims Advocacy Team and the Sefton Domestic Violence & Sexual Violence MARAC provide value for money in delivering high quality multi agency interventions to Sefton's most vulnerable high risk service users.

The demand for these services has increased significantly since their development and it is essential that these services are funded and maintained to ensure that vulnerable victims can be protected and supported.



In line with the Councils efficiencies the role of conducting property surveys for sanctuary will fall to the advocates and it is critical to clients' safety that this role is continued and further developed.

Therefore a bid has been submitted to the Home Office for a grant to provide additional funding to that provided by the Council to enable Sefton and partner agents to continue to provide this valuable service to our victims of high risk domestic violence.

The outcome of the bid will be advised when known.

## **Safeguarding Adults**

From 1<sup>st</sup> April 2010 to 31<sup>st</sup> October 2010 there has been a total of 569 referrals.

The youngest alleged victim was 19 years and the oldest 96 years.

The trends continue to show that the highest recorded number of incidents within the last quarter took place in the alleged victims own home.

Within the last quarter of the 169 referrals, 90 cases were recorded as multiple abuse.

There are more positive outcomes being achieved as a result of the reporting and investigation of cases:

- Disciplinary action being taken by employers to address abuse and poor practice
- Increased monitoring and support by the Contracts and Commissioning staff in Adult Social Care
- Legal action in respect of financial abuse
- The transferring of alleged victims to a safer environment

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## **CABINET MEMBER LEISURE AND TOURISM**

### **CABINET BRIEFING – 3 MARCH 2011**

#### **LIBRARY AND INFORMATION SERVICES**

##### **Consultation**

Consultation has taken place (7 Feb – 19 Feb) to obtain library users' views on what pattern of library opening hours they prefer when the hours are reduced as of 1 July 2011. The five larger libraries will be open 44 hours per week, and the smaller libraries open 30 hours per week. The consultation took place via forms for people to complete in libraries, and via Sefton's e-consult on the website. There has been a very good response to date.

#### **SPORT AND RECREATION**

##### **Leisure Centres**

Celebrating a New Year and a New You, the leisure centre marketing campaign to generate new members and additional income had nearly 1,000 new members join Active Sefton. The campaign runs until the end of February and the additional Direct Debit income of more than £100,000 represents an £11,000 increase compared to last year.

The new Netherton Activity Centre continues to develop at a fast pace with the top floor of the building now being built.

Embracing the virtual environment the Dunes Splash World mascot, "Murtle the Turtle" has featured on Facebook for nearly three years and has achieved a record 745 online friends so far. Utilising this customer forum, the mascot offered discounted entry to the centre via a one-off promotion. It is anticipated that this online promotion will generate around £116,000 worth of additional income to the centre.

Crosby Lakeside Adventure Centre continues to establish itself as a key venue for water sports and adventurous activities as it has gained the support of key national governing bodies including the Royal Yachting Association and British Canoe Union who have worked in partnership to develop the centre as an outstanding venue for these activities. To date, the centre has already been a success with the resident club, the Crusaders Dragon Boating Club, who have become the Junior National Champions. In addition, the centre has been awarded a two year licence to deliver activities for young people by The Adventurous Activities Licensing Service; has become a Royal Yachting Association "Training Centre" and has most recently applied to become a Royal Yachting Association Onboard centre.

##### **Positive Futures**

Utilising Aiming High For Disabled Children funding, the Sefton Positive Futures team have been able to make a significant increase in the range of short breaks provided for disabled children and young people in Sefton. The most noteworthy increase is the total number of children receiving non-specialist group based provision which has risen by an amazing 200% from an 08/09 baseline of 93 children to 279 children in 09/10.

Providing positive diversionary activities for young people at risk of social exclusion, the Sefton Positive Futures team have continued to tackle hard hitting issues through a range of diversionary workshops. Working with the RSPCA, Sefton Environmental Health, Dog's Trust, Dog Licensing

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Officers and Guide Dogs, the team have presented a range of workshops with more than 50 young people attending from a number of schools. Promoting the events on a national scale, the activities drew the attention of Real Radio who interviewed members of the Positive Futures team on air about the success of the events.

Crossing the boundaries of education, the Sefton Positive Futures team have been using sporting opportunities to target educational problems with young people in Sefton. 14 young people from a Crosby school who were experiencing problems associated with poor attendance, behavioural issues, low confidence and self esteem issues attended and successfully completed their Bronze Skills Award and Exercise Awareness course on the FA Tesco Football Skills programme, before also attending two Breaking Cultures workshops on racism and bullying with fantastic results. As a result of the programme, reports have illustrated an improvement in the pupils' attendance at school, improvements in their behaviour and dramatic increase in their levels of confidence and self esteem, so much so that several of the young males have applied for places on the Sefton Coaching Academy which can lead to qualifications and employment.

Continuing to provide opportunities for disabled children, young people and their families, the Sefton Positive Futures team have extended their range of activities to offer "Dance 4 Life" sessions in key locations across the borough.

Maintaining their leading position, the Sefton Physical Disabilities Indoor Cricket team successfully defended their Champions crown this year after fending off teams representing the six boroughs in the Merseyside Sports Partnership. The successful defence of the title was only surpassed by the boys' exemplary sporting behaviour which was commented upon by opposition coaches.

## **Active Lifestyles**

The Active Lifestyles Programme, commissioned by NHS Sefton, incorporates a number of services designed to work with residents in need of weight management support or suffering with/at risk of developing heart disease, through a combination of physical activity, dietary support and behaviour change.

A six month review of the programme has seen more than 2,000 referrals being made to the programme, which continues to rise each month.

## **TOURISM**

### **Marketing**

PR – Media value secured via tourism team activity for general resort promotion was £238,366 to the end of January. Several media competitions/reader offers ran through December to support the Christmas event in Southport, media value generated was £41,184. Business Tourism (conference) PR media value to end December was £241,136. Group travel PR media value to end of December was £83,270. Event PR media value for 2010 was £1,041,959. Total value of PR generated for Sefton/Southport via tourism so far for the 2010-11 fiscal year is over £1.6 million.

Design & Print - Southport Short Breaks & Holiday Guide (2011) has been delivered and sent to distributors (80,000 copies – no cost to tourism, funded via advertising). Southport Pocket Guide delivered and in distribution. Walking & Cycling Guide delivered and in distribution.

Website/new media – Work under way on refreshing the Sefton's Natural Coast (SNC) site – styling to be in line with visitsouthport.com. The Tourism Facebook and Twitter sites are now both active with daily (and more frequent) updates. E-Newsletter sent to database monthly, now over

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7,000 contacts. January newsletter featured a number of special offers for subscribers – and was very well supported by STBN members.

Business Tourism – Tourism conference sales team will attend Confex (1-3 March). Sefton will be stand-sharing with TMP and ACC Liverpool. Stand design agreed by 3 partners and build underway.

Travel Trade – Tourism will be attending BoBI (Best of Britain & Ireland) and Great Days Out travel trade exhibitions (both in March). David Palmer group travel event in February was attended. Travel trade 2011 update printed and will be sent with spring newsletter late February.

STBN – Southport Tourism Business Network meetings all scheduled for next quarter. Main Alliance (Board) Meeting on May 3 2011.

## **Dispersal Officer**

Southport Ambassador Awards - More than 500 nominations received for the tourism, hospitality and retail awards taking place 30th March at the Southport Theatre and Convention Centre. Judging, tickets sales, sponsorship and preparation for the awards now taking place.

Sefton Natural Coast Website - Working in partnership with Coast and Countryside and coastal partners, currently designing and producing new website which should go live end of March.

Research - research conducted, now waiting on reports for Southport Airshow, Lord Street Summer Festival, Southport Christmas event, SNC research and Destination Benchmarking. Partners For Growth - working in partnership with The Mersey Partnership monitoring PFG funded projects

## **Events**

RLPO Lunchtime Concert at Bootle Town Hall on 17 February; these concerts will continue until the end of this financial year.

Southport Food & Drink Festival 12–15 May 2011 – trade bookings going well, sponsorship nothing confirmed yet but some positive leads, taste pavilion themes are chilli, chocolate, English Wine and pies (tbc). Gala Dinner and awards going ahead with voting taking place now. Radio City confirmed as Media Partner.

Southport International Jazz Festival 26–29 May 2011. Headline acts confirmed Clare Teal, Jay Phelps (formerly of MOBO winning Emphirical), Orghesta Cache, King and Skid play Bird and ‘Trane and Tubby Hayes Tribute Band.

Summer Classics – in discussions with a private company with the aim of achieving an event at no financial cost to the Council.

Southport Air Show – Provisional flying programme in place, trade bookings up on this time last year, first emergency planning meeting taking place on 25 February, event infrastructure currently being secured.

Fireworks Championships – competitor planning and site visit taking place on 23 February, currently re-assessing site layout with a view to increasing income.

# Agenda Item 17f

## **Business Tourism**

As we approach the end of the 2010/2011 financial year a total of 26 conferences have been confirmed worth an estimated £14m in economic impact.

Despite the last quarter being very slow, the beginning of 2011 has been slightly more positive with an increase in both enquiries generated and familiarisation visits conducted. In fact, 11 enquiries have been created since 1 January, worth an estimated £12.7m in revenue to the borough if secured.

The Business Plan is due to be refreshed and, in light of the severe change in the economy and resultant depressed tourism market, the team is working alongside destination stakeholders with a view to pooling ideas and revitalising the strategic approach of the resort in terms of targeting conference business. A planning meeting will take place and initiatives formalised will then be launched during International Confex in London (1 – 3 March) when Southport will be partnering Liverpool Convention Bureau and ACC Liverpool once again.

## **CABINET MEMBER – PERFORMANCE AND GOVERNANCE** **Report to Cabinet – 3<sup>rd</sup> March 2011**

### **Transparency**

The Government have published departmental business plans (containing input and impact indicators) and the Department for Communities and Local Government's (DCLG) have published the first draft of the single data list (local authority data returns). Both of these were out to consultation ending on 4<sup>th</sup> February. The definitive list of what will be required of Local Authorities will not be known until early March and the Government has indicated that the requirements will go live from April 2011.

I have written to the Government to express concerns about the additional burden being placed on local government as a result of its data requirements, particularly given that there was meant to be a lightning of the load associated with the national indicator set, which has to be collected until 31<sup>st</sup> March 2011, and regimes such as the Comprehensive Area Assessment.

The Government is also consulting on a Code of recommended practice for local authorities on data transparency and I will be approving a response to the consultation paper at my next meeting.

### **Governance Review**

The Constitution Working Party has met 3 times and is due to meet again shortly. It is acknowledged by the Group that the Decentralisation and Localism Bill will require substantial changes to the Constitution and a further review will be required. I will be considering a report at my next meeting as to the scope of a Governance Review, and the timescales involved, as a result of both national and local policy changes. One of the important issues linked to this review is the need to refresh portfolios. In particular, I would want to see the Transparency agenda aligned with my Portfolio as the significant transparency requirements and impacts of the Government's intentions need to be co-ordinated and have strategic oversight. The transparency agenda, is the new means of holding the council to account, and fits with the current Performance and Governance brief within my portfolio.

### **Localism Bill**

Some of the detail of the Localism Bill is starting to be published – see above regarding the Code of Practice. In addition to this, two significant consultation papers have been published recently – the Community Right to Challenge and the Community Right to Buy. Officers are co-coordinating responses to these important consultation papers, and will be liaising with appropriate Cabinet Members. I would suggest that that the consultation responses are signed off through my portfolio.

### **Transformation – Communication and Consultation Strategy**

I have approved a Strategy and Action Plan regarding Communication and Consultation in respect of the Transformation Programme. Extracts from this were approved as part of the decommissioning guidance which Cabinet approved in January.

# Agenda Item 17g

Cabinet received at its last meeting, a copy of the full submissions/ideas received from the public submitted through the transformation webpages. A further update will be provided to members prior to the 3<sup>rd</sup> March Cabinet. Summary generic responses to the ideas/suggestions have been posted on the transformation webpages and will continue to be updated as feedback/suggestions are received. All responses are assessed by officers as part of the process of evaluating feedback received regarding the transformation programme and reported to Cabinet, so that Members can take account of the valuable input of our communities regarding the transformation decisions which have and are being made.

Officers are also looking at the feasibility of using a free engagement tool called YouChoose, which simulates the types of issues that would need to be taken into account when setting a budget. It is a good means of informing the public of the types of services that the council provides, and the impacts of increasing or decreasing spend on any given service.

I have recently approved an annual report on Public Engagement and Consultation which has been considered by the Standards Panel. Whilst there has been an increase in consultation activity signed off by the Panel as meeting the Councils standards during the past 12 months, there are still a proportion of consultations which do not meet or indeed come before the Panel. At the last Panel meeting we agreed to vary the approach, and the process, given the need to consult, inform and engage in relation to the transformation programme. The Panel approved the proposal within the aforementioned Consultation Strategy relative to the Transformation Programme. As part of the changes to the Democratic Processes, officers are introducing a process aimed at ensuring all consultation and engagement activity meets the standards and goes to the Panel.

## **Communication – New Media**

Officers are exploring the corporate use of new media such as twitter and facebook. A pilot is currently under development. Some departments such as Tourism have used such media before, for example for the promotion of events. Promotion of events and marketing is a very different use, to a corporate approach which is likely to require us to have processes in place to deal with feedback which can range from complaints, compliments, requests for a service, or just comments which need to answered. This work is underway and we are using the expertise of officers in Tourism who have used such tools quite successfully in the past.



CABINET MEMBER'S REPORT		
Councillor	Portfolio	Date
Ian Maher	Cabinet Member Regeneration	3 <sup>rd</sup> March 2011

## Planning & Economic Regeneration update

### Future Jobs Fund Job Fair

Sefton attended a Jobsfair at St George's Hall on Thursday 27th January 2011. This is our last opportunity to delivery FJF opportunities before the end of the programme in March 2011. We have managed to work with local employers to offer 113 FJF vacancies which will enable us to achieve our full contract target of **382 FJF clients into opportunities** before the end of March 2011. The following employers from Sefton agreed to attend, interview and recruit on the day:

Autism Initiative	Brunswick Youth Centre
Deyes High School	First Initiatives
Freshfield Animal Rescue	Merseyside Fire & Rescue
Netherton Park Neighbourhood Centre	Next Steps (Connexions)
One Vision Housing Association	Sefton CAB
Sefton Carers	Sefton@Work
Sefton MBC Coastal	Y Kids/Not Just Cooking

### New Enterprise Allowance contractor for Merseyside announced

The DWP Secretary of State announced his intentions on 5 October to introduce a New Enterprise Allowance. This is an initiative under Section 2 of the Employment and Training Act 1973, for the purpose of helping people to train for, obtain and retain employment.

The New Enterprise Allowance (NEA) approach is being tested in Merseyside Jobcentre Plus District (Knowsley, Liverpool, Sefton, St. Helens, Wirral and Halton local authority districts) from 31 January 2011 to 30 April 2011. It will be available to Jobcentre Plus customers aged 25+ claiming Jobseeker's Allowance for six months (26 weeks) or more until they are required to join New Deal or the Work Programme.

We understand that the Merseyside JCP contract for NEA has been awarded to the Merseyside Chambers of Commerce.

# Agenda Item 17h

Housing Update

## Changes in housing related Policy

A number of changes to housing related policy have been announced by the Government including;

- Changes to the level of Housing Benefit and Local Housing Allowance
- Introduction of a flexible tenancy for Registered Providers which means that a tenancy can be intermittently reviewed in order to assess whether the household still requires a social housing tenancy
- Changes to the assessment of what constitutes an 'affordable' rent, which is now set at 80% of the market rent for the area in question

Taken together, these changes may have significant implications for the Council. Officers have begun an assessment of the potential impact and are engaging with Registered provider partners in order to gauge their views as part of the process.

## New Homes Bonus

The proposed introduction of an incentive for new housebuilding as part of which the government will match Council Tax income for 6 years for every net addition to housing stock has been the subject of consultation. Officers have met with Housing minister Grant Shapps MP to set out the disadvantages to HMRI Councils such as Sefton who as a result of that programme, now have significant numbers of properties awaiting demolition, thus significantly reducing the benefit of the bonus. An exemption on the basis that the demolitions are part of a previously agreed proposal and are in any case low demand / obsolete and would not normally be re-occupied has been requested and DCLG officials are considering their response.

## Completing Housing Market Renewal Activity

Following the withdrawal of Housing Market Renewal funding with effect from April 2011, Officers have been seeking to secure additional support from the Homes and Communities Agency for the purpose of completing the task of re-housing remaining residents to facilitate site assembly and thus re-development by housing developer partners. As a result, a further £1.25 million has been secured for acquisition and site remediation during 2010-11

## CABINET MEMBER'S REPORT

Councillor	Portfolio	Date
John Fairclough	Cabinet Member Technical Services	3 <sup>rd</sup> March 2011

### 1. Thornton Switch Island Link

On the 4<sup>th</sup> February 2011, the Department for Transport announced that they will provide funding for the scheme, as set out in the Council's Best and Final Funding bid. The Department for Transport confirmed its contribution of £14.5m to the overall estimated cost of £18.5 at current prices in a formal funding approval letter.

Further to the Council's Planning Committee approval of the Planning Approval on the 15<sup>th</sup> December 2010, the matter was referred to the Government Office. Government Office have subsequently responded advising that they will not be 'calling in' the application. Hence the formal Planning Decision letter approving the application was issued on the 26<sup>th</sup> January 2011.

A report will be presented to Cabinet on the 3<sup>rd</sup> March 2011, detailing the revised scheme programme and funding profile.

### 2. LTP3

Consultation on the 3<sup>rd</sup> Local Transport Plan by the Integrated Transport Authority is now complete and a revised draft will be available in mid February 2011.

The Department for Transport have advised of LTP Capital Settlements for 2011/12 and 2012/13 with indicative allocations for 2013/14 and 2014/15. Funding for the maintenance programme has been reduced by approximately 7%, but funding for the Integrated Transport block used to fund minor schemes, safety, access, awareness programmes has been reduced in 2011/12 by over 65% from previous years down to £980k, although does increase in later years.

A report will be presented to Cabinet on the 3<sup>rd</sup> March 2011, to seek approval to the third Local Transport Plan and the framework of an Implementation Plan for 2011/12 of subsequent years.

### 3. Local Transport Schemes

A wide range of schemes are being implemented at present including a pedestrian crossing in Sefton Village, safety schemes in Spencers Lane/Waddicar Lane, Melling and Park Lane, Netherton, cycling and safety scheme on Wennington Road, Southport and improvement works to Millers Bridge, Bootle. After a substantial delay whilst statutory undertaken diversions were completed, the safety and capacity improvement to the Hawthorne Road/Linacre lane junction in Bootle has recommenced.



**The Capita Symonds / Architects Group** provides a comprehensive service for the delivery of all major capital projects.

The Litherland High School replacement project remains on programme to complete in the spring of 2011.

The Southport Cultural Centre project is well underway and the Netherton Activity Centre replacement contract has commenced and is progressing well. These projects will both be concluded in the autumn of 2011.

The Balliol House demolition contract has also commenced and is currently ahead of programme towards a completion in May 2011.

Unfortunately ROK Building Ltd was placed in administration during November and this has delayed progress on the Southport Market, Lander Road School and Kew Woods School projects. Capita Symonds are in discussions with the administrator and are exploring options to recommence works with an alternative contractor as soon as possible.

The Capita Symonds **Building Maintenance Team** continue to provide a comprehensive day-to-day responsive and planned maintenance service.

Particular focus is currently been placed upon statutory testing and inspection requirements and Capita Symonds have invested in new software to monitor adherence to these requirements.

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