

METROPOLITAN BOROUGH OF SEFTON

## COUNCIL SUMMONS

To Members of the Metropolitan Borough Council

Dear Councillor

You are requested to attend a Meeting of the Sefton Metropolitan Borough Council to be held on **Thursday 6th September, 2012 at 6.30 pm at the Town Hall, Bootle** to transact the business set out on the agenda overleaf.

Yours sincerely,

A handwritten signature in black ink that reads "M. Carney".

Chief Executive

Town Hall,  
Bootle

29 August 2012

Please contact Steve Pearce, Head of Committee and Member Services  
on 0151 934 2046 or e-mail [steve.pearce@sefton.gov.uk](mailto:steve.pearce@sefton.gov.uk)

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# **A G E N D A**

**1. Apologies for Absence**

**2. Declarations of Interest**

Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.

**3. Minutes of Previous Meeting**

(Pages 7 - 18)

Minutes of the meeting held on 5 July 2012

**4. Mayor's Communications**

**Public Session**

**5. Matters Raised by the Public**

To deal with matters raised by members of the public within the Borough, in accordance with the procedures relating to Petitions, Public Questions and Motions set out in Rule 11 of the Council and Committee Procedure Rules.

**Council Business Session**

**6. Questions Raised by Members of the Council**

To receive and consider questions to Cabinet Members, Chairs of Committees or Spokespersons for any of the Joint Authorities upon any matter within their portfolio/area of responsibility, of which notice has been given in accordance with Rule 12 of the Council and Committee Procedure Rules.

**7. Council Tax Reduction Scheme**

(Pages 19 -  
32)

Report of the Head of Corporate Finance and ICT

The Council is requested to give approval to the rescheduling of the Council meeting from 7 February 2013 to 24 January 2013 to enable the Council Tax Reduction Scheme to be approved by the required deadline.

**8. Merseyside and Halton Waste Local Plan - Modifications arising from Public Examination**

(Pages 33 -  
40)

Report of the Director of Built Environment

- 9. Merseyside Local Sustainable Transport Fund Major Project** (Pages 41 - 56)  
Report of the Director of Built Environment
- 10. Stepclever Legacy Fund Project** (Pages 57 - 62)  
Report of the Director of Built Environment
- 11. River Mersey Channel Dredging Project** (Pages 63 - 74)  
Report of the Director of Built Environment
- 12. Vehicle Replacements - Refuse Collection Fleet and Specialist Transport Vehicles** (Pages 75 - 92)  
Report of the Director of Street Scene
- 13. Review of Council's Constitution** (Pages 93 - 98)  
Joint report of the Director of Corporate Support Service and Director of Corporate Commissioning
- 14. Appointments to Outside Bodies 2012/13**  
The Council agreed on 5 July 2012 that Councillor Kerrigan be appointed as one of the Council's representatives on to the Merseyside Police and Crime Panel for 2012/13.  
  
The Council is now requested to appoint one Liberal Democrat Group Member as the Council's second representative on to the Merseyside Police and Crime Panel for 2012/13.
- 15. Membership of Committees 2012/13**  
To consider any changes to the Membership of any Committees etc.
- 16. Notice of Motion Submitted by Councillor Jones**  
To consider the following motion submitted by Councillor Jones:  
  
"The Council:  
  
(1) Recognises the many concerns raised by a significant number of Southport residents, regarding the management of the Ainsdale and Birkdale Nature Reserve and Dunes. In particular, the recent and further application for a felling licence to fell a further substantial amount of English broadleaf trees in this protected natural environment.

- (2) Recognises that these works have progressed without recognition of the public interest, offering little public consultation.
- (3) Recognises that further concerns have been raised by Southport residents regarding the state of Southport beaches and foreshore. There are significant concerns amongst residents with the grass encroachment north of the pier and the deposits of disgraceful sludge covering Birkdale beach.
- (4) Notes that at the recent Southport Area Committee meeting held on 18 July 2012, these concerns were recognised by eleven of the twenty-two questions and a petition presented to the meeting, being related to the Ainsdale and Birkdale Nature Reserve and the foreshore areas.
- (5) Notes that at that same Southport Area Committee meeting, the Liberal Democrat Members finally agreed with Southport Conservatives that these significant public concerns and their questions needed to be addressed and we therefore request that the works ongoing to the Ainsdale and Birkdale Nature Reserve are curtailed pending the completion and outcome of full public consultation being submitted to the Council to enable Members and the public to be informed and gain the answers our residents deserve.
- (6) Realises that a buoyant and prosperous coastal resort like Southport is not only good for the economy of Southport but the whole of Sefton and relies upon the cooperation of our local residents.
- (7) Requests that an urgent review is undertaken of our current coast management programme in order to protect Southport's Dune system, foreshore and the many habitats within it. Our ambition is to understand the 'coastal processes' and work to restore our beaches to their former condition. It is in this understanding that we may be able to encourage our beaches to be used and enjoyed by many people. This will encourage much needed revenue to Southport and Sefton."

**17. Notice of Motion Submitted by Councillor P. Dowd**

To consider the following Motion submitted by Councillor P. Dowd:

"The Council has difficult decisions to face, and will continue to face, in relation to its finance and provision of services.

Local Government has been harder hit than any other area of government spending. The figures provided by the present Government at the outset of the post emergency budget in June 2010 were misleading and grossly understated and whilst the Government promised fairness it has been lamentable in its delivery on this promise. Contrary to its claims, we are not "all in it together" and the most deprived areas have fared worse. The Council has had and will have to continue to make deep cuts to comply with the Government's funding regime. The Council will have to consider the impact that such cuts may have on the most vulnerable, as a large proportion of our spending is on adult social care.

The all-Party Local Government Association paints a bleaker picture for the future if the Government continues on this path of financial retrenchment.

Whilst the Council acknowledges that public finances are strained, in no small measure as a result of the Government's policies, nevertheless the Council will be lacking in its responsibilities not to inform the people of Sefton why it is having to make these difficult decisions, many of which are as a result of Government demands.

Given this, the Council agrees to ensure that as part of the public budget consultation process, it ensures that in its communications the public are aware of the size and nature of the cuts imposed by the Government on Sefton funding. "

**18. Notice of Motion Submitted by Councillor Dawson**

To consider the following Motion Submitted by Councillor Dawson:

"This Council, noting the proposed election of a Police Commissioner for the Merseyside area, believes that it is inappropriate for the residents' interests over this substantial area to be represented by a single paid politician."

**THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN"**

## COUNCIL

### MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 5TH JULY, 2012

PRESENT:                   The Mayor (Councillor K. Cluskey) (in the Chair)

Councillors Ashton, Atkinson, Ball, Bennett, Blackburn, Booth, Bradshaw, Brennan, Brodie - Browne, Byrom, Carr, L. Cluskey, Crabtree, Cummins, Cuthbertson, Dawson, Dodd, Dorgan, M. Dowd, P. Dowd, Dutton, Fairclough, Lord Fearn, Friel, Gatherer, Gustafson, Hardy, Hartill, Hubbard, Jones, Keith, John Kelly, John Joseph Kelly, Kermode, Kerrigan, Killen, Lappin, Maguire, Maher, Mahon, McGinnity, McGuire, Mclvor, McKinley, Moncur, Page, Papworth, Preece, Rimmer, Roberts, Robertson, Robinson, Roche, Shaw, Tweed, Veidman, Sir Ron Watson, Weavers, Webster and Welsh

#### **19.    APOLOGIES FOR ABSENCE**

Apologies for absence were received from the Deputy Chair, Councillor M. Fearn and Councillors Hands, Murphy, Tonkiss and Sumner.

#### **20.    DECLARATIONS OF INTEREST**

The following declarations of pecuniary interest were made and the Members concerned left the room during the consideration of the items indicated:

<u>Member</u>	<u>Minute</u>
Councillor Atkinson	31 – Appointments to Outside Bodies 2012/13 and 37 - Notice of Motion submitted by Councillor Dawson
Councillor Dodd	31 – Appointments to Outside Bodies 2012/13 and 37 - Notice of Motion submitted by Councillor Dawson
Councillor Friel	31 – Appointments to Outside Bodies 2012/13 and 37- Notice of Motion submitted by Councillor Dawson
Councillor Kermode	31 – Appointments to Outside Bodies 2012/13 and 37 - Notice of Motion submitted by Councillor Dawson

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Councillor Lappin

31 – Appointments to Outside Bodies 2012/13 and 37 - Notice of Motion submitted by Councillor Dawson

Councillor Shaw

26 - Capital Programme and Capital Allocations 2012/13

## **21. MINUTES OF PREVIOUS MEETINGS**

RESOLVED:

That the Minutes of the Annual Council Meeting held on 10 May 2012 and the Adjourned Annual Council Meeting held on 15 May 2012 be approved as a correct record.

## **22. MAYOR'S COMMUNICATIONS**

The Mayor reported on the number of mayoral engagements he had attended since his appointment to the Office of Mayor on 10 May 2012.

PUBLIC SESSION

## **23. MATTERS RAISED BY THE PUBLIC**

The Mayor reported that Members of the Public had not submitted any petitions or questions.

COUNCIL BUSINESS SESSION

## **24. QUESTIONS RAISED BY MEMBERS OF THE COUNCIL**

The Council considered a schedule setting out the written questions submitted by:

- Councillor Jones to the Leader of the Council (Councillor P. Dowd)
- Councillor Brodie-Browne to the Leader of the Council (Councillor P. Dowd)
- Councillor McKinley to the Leader of the Council (Councillor P. Dowd)
- Councillor Shaw to the Cabinet Member - Children, Schools, Families and Leisure (Councillor Moncur)
- Councillor Dawson to the Cabinet Member - Children, Schools, Families and Leisure (Councillor Moncur)
- Councillor Dawson to the Cabinet Member - Older People and Health (Councillor Cummins)



- Councillor Dawson to the Cabinet Member - Transportation (Councillor Fairclough)

together with the responses given. Supplementary questions were asked and responded to by the Leader of the Council and the Cabinet Member - Children, Schools, Families and Leisure.

## **25. TRANSFORMATION, MEDIUM TERM FINANCIAL PLAN AND REVENUE BUDGET UPDATE**

Further to Minute No. 16 of the Cabinet meeting held on 21 June 2012, the Council considered the report of the Head of Corporate Finance and ICT which provided an update on the latest assumptions contained in the Medium Term Financial Plan 2013/14 - 2014/15; highlighted the potential budget gaps for that period and recommended the first stage of budget reductions to contribute to the balancing of the 2013/14 budget.

The report also set out proposals for a change to the Treasury Management Policy to allow improvement of cash management.

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

It was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That approval be given to:

- (1) the Medium Term Financial Plan projected assumptions contained in the report;
- (2) the initial budget proposals for 2013/14 and future years outlined in paragraph 7 of the report, and officers be delegated to take the necessary actions to achieve the impact outlined; and
- (3) the change to the Treasury Management Policy as outlined in paragraph 8 of the report.

## **26. CAPITAL PROGRAMME AND CAPITAL ALLOCATIONS 2012/13**

Further to Minute No. 4 of the Cabinet meeting held on 24 May 2012, the Council considered the joint report of the Strategic Director - Place and the Head of Corporate Finance and ICT which provided an update on the development of a single capital pot bidding process and detailed the recommendations for the acceptance of an interim Capital New Starts Programme for 2012/13.

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It was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That approval be given to:

- (1) the utilisation of the full 2012/13 Transportation capital allocation to meet existing capital new start proposals;
- (2) the utilisation of the full 2012/13 Disabled Facilities Grant capital allocation to meet the cost of statutory disabled grant awards; and
- (3) the interim allocation of £2,661,750 as a Children's Services 2012/13 capital new starts programme in order to progress urgent and time constrained projects identified.

## **27. DUNES SPLASHWORLD - PURCHASE OF FITNESS EQUIPMENT - RECOMMENDATION FROM THE CABINET**

Further to Minute No. 11 of the Cabinet meeting held on 24 May 2012, it was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That approval be given to the inclusion of the sum of £262,000 in the capital programme, funded from Prudential Borrowing, for the purchase of fitness equipment at Dunes Splashworld, Southport.

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

## **28. STANDARDS REGIME AT SEFTON COUNCIL**

Further to Minute No. 121 of the meeting held on 12 April 2012, the Council considered the report of the Head of Corporate Legal Services which provided a further update on the impact of the Localism Act 2011 and the current standards regime.

The report contained the following appendices:

- Local Government Association proposed Code of Conduct
- Department of Communities and Local Government illustrative text for dealing with the conduct of Members and Co-opted Members
- Sefton Council's revised Code of Conduct which had been approved by Council
- Proposed additional terms of reference for the Audit and Governance Committee

The report also provided details of the new Regulations relating to the disclosure of pecuniary interests by local authority members and co-opted

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members and the appointment of Independent Persons, which took effect on 1 July 2012; and the action to be taken by Officers on these issues.

The Council also considered a supplementary report by the Head of Corporate Legal Services which provided details of the recommendations of the Standards Committee and Audit and Governance Committee on the issues set out in the previous report and the details of the Independent Persons to be appointed to the Audit and Governance Committee.

It was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED: That

- (1) it be noted that the Code of Conduct as set out in Appendix C of the previous report, was adopted by the Council on 12 April 2012, subject to a further review of the administration of Standards in Sefton and the Code of Conduct being undertaken within six months of its introduction and being re-considered by the Council;
- (2) approval be given to a working party being drawn from the Audit and Governance Committee as opposed to the Standards Committee, as set out in Minute 121(6) of the Council meeting held on 12 April 2012. (Paragraph 1.1.6 of the report refers);
- (3) approval be given to the appointment of Mr. J. Fraser and Mr. E. Davies as the Independent Persons in accordance with the transition regulations, for the period ending no later than 30 June 2013;
- (4) the additional Terms of Reference for Audit and Governance Committee as shown at Appendix D of the original report be approved; and
- (5) approval be given to the appointment of a Parish Council representative and substitute representative (appointed by the Sefton Area Partnership of Local Councils) as a co-opted member of the Audit and Governance Standards Sub Committees, to enable him/her to be involved in the consideration of any complaints submitted in respect of the conduct of any Parish Councillor within the Borough of Sefton.

## **29. SCHEME OF MEMBERS' ALLOWANCES**

Further to Minute No. 21 of the Cabinet meeting held on 21 June 2012, the Council considered the report of the Director of Corporate Commissioning on the proposals by the Independent Remuneration Panel for the implementation of a new Scheme of Members' Allowances.

The Council also considered the revised scheme of Members' Allowances which had been updated following the Cabinet meeting.

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

It was moved by Councillor P. Dowd, seconded by Councillor Maher:

That

- (1) the recommendations made by the Independent Remuneration Panel set out in paragraph 2.1 of the original report be noted;
- (2) the existing Members' Allowances be frozen at the current level and in order to comply with the Department for Communities and Local Government Guidance referred to in the report, special responsibility allowances of £4,260 be introduced for the Political Group Leaders and be backdated to 15 May 2012;
- (3) the publicity required as set out in Section 3 of the report be undertaken; and
- (4) the Council's Constitution be amended to insert the revised Scheme.

An **amendment** was moved by Councillor Brodie-Browne, seconded by Councillor Shaw that the Motion be amended by the addition of the following resolution:

"(5) the special responsibility allowances for the Members of the Cabinet be reduced by 10%."

On a show of hands, the Mayor declared that the amendment was **lost** by 35 votes to 18 with 7 abstentions.

On a show of hands, the Mayor declared that the Substantive Motion was carried by 35 votes to 18 with 8 abstentions and it was

RESOLVED: That

- (1) the recommendations made by the Independent Remuneration Panel set out in paragraph 2.1 of the original report be noted;
- (2) the existing Members' Allowances be frozen at the current level and in order to comply with the Department for Communities and Local Government Guidance referred to in the report, special responsibility allowances of £4,260 be introduced for the Political Group Leaders and be backdated to 16 May 2012;
- (3) the publicity required as set out in Section 3 of the report be undertaken; and
- (4) the Council's Constitution be amended to insert the revised Scheme.

## 30. OVERVIEW AND SCRUTINY ANNUAL REPORT 2011/12

The Council considered the Overview and Scrutiny Annual Report for 2011/12 and Councillors McGinnity, Brennan, Hubbard and Papworth highlighted the key areas of work undertaken by the respective Committees and thanked Members and Officers for their support and assistance during 2011/12.

It was moved by Councillor McGinnity, seconded by Councillor Byrom and

RESOLVED:

That the Overview and Scrutiny Annual Report 2011/12 be noted.

## 31. APPOINTMENTS TO OUTSIDE BODIES 2012/13

- (1) Further to Minute No. 16 of the meeting held on 15 May 2012, it was moved by Councillor Webster, seconded by Councillor P. Dowd:

That the proposed change to one of the Council's Labour Group representatives on the Merseyside Integrated Transport Authority for 2012/13, following the resignation of Councillor M. Dowd, be delegated to the Leader of the Council for determination.

An **amendment** was moved by Councillor Brodie-Browne, seconded by Councillor Robertson that the Motion be amended to read as follows:

"That the vacant place on the Merseyside Integrated Transport Authority for 2012/13 following the resignation of Councillor M. Dowd be allocated to a Conservative Member, to be determined by the Leader of the Conservative Group."

On a show of hands, the Mayor declared that the amendment was **lost** by 31 votes to 25.

On a show of hands, the Mayor declared that the Substantive Motion was **carried** by 31 votes to 25 and it was

RESOLVED:

That the proposed change to one of the Council's Labour Group representatives on the Merseyside Integrated Transport Authority for 2012/13, following the resignation of Councillor M. Dowd, be delegated to the Leader of the Council for determination.

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- (2) It was moved by Councillor Webster, seconded by Councillor P. Dowd:

That Councillor Kerrigan be appointed as the Council's representative on the Merseyside Police and Crime Panel for 2012/13.

During the debate on the Motion, the Head of Corporate Legal Services advised the Council of the main implications regarding appointments to the new Police Crime Panels with respect to the Police Reform and Social Responsibility Act 2011 and the Police Crime Panels (Nominations, Appointments and Notifications) Regulations 2012. In Merseyside's circumstances, where panel arrangements had not yet been agreed, each of the five Councils in Merseyside should appoint a Member to the Shadow Panel who could then determine the representation on the Panel for the remaining five Members' positions and the two Co-opted Members' positions based on the balanced appointment objective.

An **amendment** was moved by Councillor Brodie-Browne, seconded by Councillor Jones that the Motion be amended to read:

"That if Sefton Council is called upon to have a second representative on the Merseyside Police and Crime Panel for 2012/13 and if that representative should be a Liberal Democrat Member, the representative should be Councillor Shaw."

On a show of hands, the Mayor declared that the amendment was **lost** by 41 votes to 16.

On a show of hands, the Mayor declared that the Substantive Motion was **carried** by 42 votes to 13 and it was

RESOLVED:

That Councillor Kerrigan be appointed as the Council's representative on the Merseyside Police and Crime Panel for 2012/13.

(In accordance with Rule 18.5 of the Council and Committee Procedure Rules, the following Members requested that their vote against the Substantive Motion be recorded, viz:-

Councillors Ashton, Blackburn, Booth, Dawson, Dodd, Hubbard, Keith, McGuire, Preece, Robertson, Shaw, Weavers and Welsh).

## **32. MEMBERSHIP OF COMMITTEES 2012/13**

The Mayor reported that Councillor Tweed as the Chair of the Public Engagement and Consultation Panel had invited the Conservative Group to nominate a Member and Substitute Member to serve on the Panel for 2012/13 and that Councillor McGinnity as the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) would be invited to attend meetings of the Panel as an observer.

It was moved by Councillor Dutton, seconded by Councillor Papworth that Councillor McIvor be appointed as a Member of the Public Engagement and Consultation Panel and Councillor Jones be appointed as his Substitute on the Panel.

It was moved by Councillor Blackburn, seconded by Councillor Shaw that:

Councillor Robertson be appointed as the Substitute Member for Councillor M. Fearn on the Planning Committee in place of Councillor McGuire.

RESOLVED:

That the above mentioned changes in membership of the Panel and Committee be approved.

### **33. MATTERS DEALT WITH IN ACCORDANCE WITH RULE 17 OF THE SCRUTINY PROCEDURE RULES (CALL-IN AND URGENCY) OF THE CONSTITUTION**

The Council considered the report of the Leader of the Council setting out the details of those matters dealt with in accordance with Rule 17 of the Scrutiny Procedure Rules (Call-in and Urgency).

The Council also considered a schedule setting out a written question submitted by Councillor McGuire to the Chair of the Overview and Scrutiny Committee - Performance and Corporate Services (Councillor McGinnity) together with the response given. A supplementary question was asked and responded to.

RESOLVED:

That the report be noted.

### **34. NOTICE OF MOTION SUBMITTED BY COUNCILLOR HUBBARD**

It was moved by Councillor Hubbard, seconded by Councillor Brennan and unanimously

RESOLVED:

The Council notes that:

- (1) the centenary of the Battle of Festubert will be in 2015;
- (2) in excess of 150 men from what is now Sefton, died in that battle;  
and

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- (3) in 1920, Southport “adopted” the village of Festubert, raising money and establishing a cultural visits programme on an annual basis.

The Council calls upon the Mayor to send a letter of friendship to the Mayor of Festubert.

## **35. NOTICE OF MOTION SUBMITTED BY COUNCILLOR PAPWORTH**

It was moved by Councillor Papworth, seconded by Councillor Moncur and unanimously

RESOLVED:

The Council congratulates and thanks those officers who organised the passage of the Olympic Torch through the Borough on 1 June 2012. The event was a huge success, and will have given lasting pleasure to many thousands of Sefton residents. The Council also gratefully acknowledges the part played by Sefton Council for Voluntary Service, Merseyside Police and numerous other organisations.

## **36. NOTICE OF MOTION SUBMITTED BY COUNCILLOR SIR RON WATSON**

It was moved by Councillor Sir Ron Watson, seconded by Councillor Cuthbertson.

“The Council:

- (1) recognises the many representations, elected members have had from local pensioners over the changes to their tax allowances in the Budget and considers that the Coalition Government urgently needs to review their policy in this area with the aim of reinstating the previous allowance figure;
- (2) considers that pensioners in particular, have been the one group of society most badly hit by the unprecedented levels of low interest rates that have drastically reduced their retirement incomes from their hard earned savings;
- (3) believes that the Coalition Government should alter the tax free ISA provision to allow the current maximum figure of £11,280.00 to be invested in a Cash ISA, as opposed to the current situation where half has to be invested in what can be a risky stock exchange situation; and
- (4) requests the Coalition Government to address these issues in the Chancellor’s Autumn Statement.”

An **amendment** was moved by Councillor P. Dowd, seconded by Councillor Maher that the Motion be amended by deleting all the text in



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Paragraph 3 after the words “should alter” and replacing it with: “the provisions in their budget which have a detrimental effect on the finances of pensioners.”

Following debate thereon, on a show of hands, the Mayor declared that the amendment was **carried** by 35 votes to 26.

On a show of hands, the Mayor declared that the Substantive Motion was **carried** by 35 votes to 25 with one abstention and it was

RESOLVED:

The Council:

- (1) recognises the many representations, Elected Members have had from local pensioners over the changes to their tax allowances in the Budget and considers that the Coalition Government urgently needs to review their policy in this area with the aim of reinstating the previous allowance figure;
- (2) considers that pensioners in particular, have been the one group of society most badly hit by the unprecedented levels of low interest rates that have drastically reduced their retirement incomes from their hard earned savings;
- (3) believes that the Coalition Government should alter the provisions in their budget which have a detrimental effect on the finances of pensioners; and
- (4) requests the Coalition Government to address these issues in the Chancellor’s Autumn Statement.

## **37. NOTICE OF MOTION SUBMITTED BY COUNCILLOR DAWSON**

It was moved by Councillor Dawson, seconded by Councillor Robertson.

“This Council:

- (1) notes the widespread circulation of a report, authored by Councillor Joe Hanson of Liverpool City Council, which has detailed concerns relating to the financial management and past governance of Merseytravel over a number of years, and has prompted criticism from the District Auditor;
- (2) welcomes statements from Merseytravel members, Councillors of all Parties, of their intention to run their Authority in future in accordance with principles of good governance; and
- (3) calls upon the Secretary of State for Transport and the Secretary of State for Communities and Local Government to ensure that the matters raised in the “Hanson Report” and other concerns relating

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to the governance of Merseytravel in recent years, should be subject of independent investigation.”

Following debate thereon, on a show of hands, the Mayor declared that the Motion was **lost** by 33 votes to 15 with 8 abstentions and it was

RESOLVED:

That no action be taken on the Motion.

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**Report to:** Cabinet  
Council

**Date of Meeting:** 19 July 2012  
6 September 2012

**Subject:** Council Tax Reduction Scheme

**Report of:** Head of Corporate Finance and ICT      **Wards Affected:** All

**Is this a Key Decision?** Yes      **Is it included in the Forward Plan?** Yes

**Exempt/Confidential**      No

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## **Purpose/Summary**

As part of the 2010 Spending Review, the Government announced that the current national Council Tax Benefit system would be replaced by a Local Council Tax Reduction Scheme from 2013-14, reducing expenditure by 10 per cent. This is part of a wider policy of decentralisation and welfare reform. The Local Government Finance Bill was introduced to Parliament on the 19<sup>th</sup> December 2011.

On the 18<sup>th</sup> May 2012, The Department of Communities and Local Government published Localising Support for Council Tax- Statement of Intent. It sets out the requirements for preparing a 'Local Council Tax Reduction Scheme'. The document outlines very specific procedures to be followed in preparing a scheme and the requirements placed upon Local Authorities to consult.

Whilst the Bill has not received Royal Assent the Government requires Local Authorities, before adopting a scheme, to, in the following order :

- a. consult any major Precepting Authority which has power to issue a precept to it,
- b. publish a draft scheme, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

By law the scheme will have to be formally adopted by the 31<sup>st</sup> January 2013.

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## **Recommendation(s)**

### **Cabinet:**

1. To agree a draft Council Tax Reduction Scheme on which the Council will consult interested parties in accordance with the approach set out in this report.
2. To consult on the removal of Council Tax exemptions and discounts.
3. To require The Head of Finance and ICT to present a report to Cabinet following consultation with a recommendation for final agreement by Council, and
4. The Cabinet to recommend to Council that approval be given to the rescheduling of the Council meeting from 7 February 2013 to 24 January 2013.

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## Council:

1. To note the content of the report, and
2. To give approval to the rescheduling of the Council meeting from 7 February 2013 to 24 January 2013 to enable the Council Tax Reduction Scheme to be formally adopted by the statutory deadline of 31 January 2013.

## How does the decision contribute to the Council's Corporate Objectives?

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

## Reasons for the Recommendation:

Legislation requires the Council to formally have in place a Council Tax Reduction Scheme by the 31<sup>st</sup> January 2013. The scheme must be consulted upon with Precepting bodies and other such persons as it considers are likely to have an interest in the operation of the scheme.

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

### (A) Revenue Costs

The Government has announced provisional Council Tax support grant allocations of approximately £23.6m to fund the scheme from April 2013; this resource is to cover Sefton Council and its Precepting bodies requirements. This is a shortfall of 13.6% on the current Council Tax benefit scheme. In addition the authority will receive in the region of £84K to implement the new scheme.

### (B) Capital Costs N/A

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

## Legal

Consultation must be carried out in accordance with the order set out in the Bill. When consulting, the Council must ensure that ALL interested parties are able to give their view

and influence the design of the scheme. The Council must also take into consideration any adverse effect of any changes on any particular group when making its final decision on a scheme.

**Human Resources** None

## **Equality**

In relation to compliance with the Equality Act 2010, Section 149, Members need to make decisions in an open minded balanced way showing due regard to the impact of any recommendations being presented. Members need to have a full understanding of any risks in terms of people with protected characteristics and any mitigation that needs to be put in place. Equality Impact Assessments, including consultation, provide a clear process to demonstrate that Cabinet and Council have consciously shown due regard and complied with the duty. A full EIA will be published with the final recommendations to Cabinet and full Council.

- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | No Equality Implication at this time             | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated   | <input type="checkbox"/>            |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/>            |

## **Impact on Service Delivery:**

Overall there will be a reduction in funding to help Sefton residents with Council Tax costs estimated at 13.6%. Since pensioners are required to be protected under the scheme there is an estimated reduction impact on all working age claimants at 27.7%. This is on the assumption that the benefit caseload does not increase.

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

The Head of Corporate Finance and ICT (FD 1602) and Head of Corporate Legal Services (LD 933) have been consulted and any comments have been incorporated into the report.

## **Are there any other options available for consideration?**

If Sefton Council choose not to adopt a Local Council Tax Reduction Scheme, the Secretary of State will impose a default scheme and there will be no need to consult as the current Council Tax Benefit Scheme will become the local scheme. However, the Council would be required to meet approximately £3.2m of the funding shortfall with the remaining £0.5m falling on the police and fire authorities. In addition any additional shortfall for increase in caseload will require further cuts on general services.

## **Implementation Date for the Decision**

Following the Council meeting.

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## **Background Papers:**

The following are background papers available for inspection:

- a. Localising Support for Council Tax – A Statement of Intent from DCLG
- b. Technical reform to Council Tax – summary of responses report from DCLG
- c. Localising Support for Council Tax – Funding arrangements consultation. Published by DCLG 17<sup>th</sup> May 2012.
- d. Local Government Finance Bill – introduced to Parliament 19<sup>th</sup> December 2011.
- e. Technical Reform to Council Tax – summary of responses report from DCLG May 2012
- f. Data fact sheets covering proposals.

## **Introduction/Background**

The Local Government Finance Bill which was introduced to Parliament on the 19<sup>th</sup> December 2011 requires Local Authorities to design their own schemes to administer Council Tax Support, working within a framework set out in legislation. The current Council Tax Benefit scheme will no longer exist from April 2013.

The Statement of Intent published on the 18<sup>th</sup> May 2012 by DCLG requires the following framework for the Local Council Tax Reduction Scheme:

- Future Council Tax Reduction to be offered in the form of a means tested discount.
- Billing Authorities must have a Council Tax Reduction Scheme formally in place by the 31<sup>st</sup> January 2013 to begin on 1<sup>st</sup> April 2013.
- Pensioners will be protected through a national framework of criteria and allowances (with no changes to current levels of award).
- Guidance from the Secretary of State states that scheme should support work incentives and in particular avoid disincentives to move into work.
- Scheme must set out the classes of person who are entitled to a reduction and the reductions that will apply.
- Local Authority must consult before making a scheme and each year must consider whether to revise or replace the scheme.
- Scheme must state the procedure by which a person may apply.
- Scheme must state the procedure by which a person can make an appeal.
- A transitional provision to allow existing Council Tax Benefit claimants to be treated as having made an application for Council Tax Reduction.

Secondary legislation is due to be published early autumn and final funding and regulations in December 2012.

## **Consultation and engagement**

The 'Localising Support for Council Statement of Intent' was published in May 2012 by the Government. The document sets out the requirements for preparing a 'Local Council Tax Reduction Scheme'. The document outlines very specific procedures to be followed in preparing a scheme and the requirements placed upon Local Authorities to:-

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- a. consult any major Precepting Authority which has power to issue a precept to it,
- b. publish a draft scheme, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

By law the scheme will have to be formally adopted by the 31<sup>st</sup> January 2013.

The consultation should be carried out in accordance with the Best Value Guidance 2011 and must ensure that all interested parties are able to give their view and influence the design of the reduction scheme. The consultation should be carried out as early as possible to ensure feedback can influence the scheme and allow sufficient time for feedback to be gathered, impacts to be understood and a scheme to be agreed. In order to ensure the Council meets its obligations in relation to consultation and engagement in preparing a 'Local Council Tax Reduction Scheme' it is recommended that the following process is agreed:

## **Timeline for Consulting on a local Council Tax Reduction Scheme**

Produce Options for Members for consultation	July 2012
Consult with Precepting Authorities	July 2012
Consider responses from Precepting Authorities	September 2012
Consult Interested Persons (12 weeks)	August – October 2012
Start to analyse consultation feedback	September/October 2012
Determine any disproportionate impacts	September/October 2012
Publish recommendations to Cabinet Including an equality impact assessment	December 2012
Council approval of scheme	January 2013
Publish Scheme	End of January 2013

The Consultation and engagement processes will be undertaken in accordance with the Standards for Consultation and Engagement and a plan will be submitted to the Panel for Consultation and Engagement for approval. A range of methods will be used, as appropriate to the different audiences, to ensure full participation by all interested parties and inclusion in the consultation.

## **Equality Impact Assessment**

The Consultation, Engagement and Equalities Group will take forward the development of the impact assessment for the proposed changes to Council Tax Benefit. A first draft is in development based on impacts identified through national impact assessments on both the changes to Council Tax Benefits and the wider benefit reforms. The EIA

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document will be reviewed throughout the consultation process to ensure the outcomes influence the consultation process and the feedback from the consultation is captured.

## Context

Sefton MBC currently administers Council Tax and Housing Benefit on behalf of the Government and reclaims a cost of delivering this service (the Administration Grant) and the amount that has been paid out (the Subsidy). The Table below shows the caseload trend for Council Tax Benefit Claims

YEAR	CLAIMANTS THAT ARE PENSIONERS	CLAIMANTS THAT ARE OF WORKING AGE	TOTAL COUNCIL TAX BENEFIT CLAIMANTS
2009/10	15,814 (51.85%)	14,685 (48.15%)	30,499
2010/11	15,951 (49.98%)	15,964(50.02%)	31,915
2011/12	15,823 (47.74%)	17,321 (52.26%)	33,144

Table below shows number of Benefit claims in Council Tax bands

BAND	Council Tax Bill before discounts and benefits	Number of Properties	Number of Benefit Claimants
-A	£ 742.33 - £ 786.76	84	35
A	£ 989.77 - £1,049.01	39,059	18632
B	£1,154.74 - £1,223.84	26,632	7713
C	£1,319.70 - £1,398.68	29,921	4714
D	£1,484.66 - £1,573.51	14,752	1340
E	£1,814.58 - £1,923.18	8,052	458
F	£2,144.51 - £2,272.85	3,831	121
G	£2,474.43 - £2,622.52	2,691	54
H	£2,969.32 - £3,147.02	220	1

- There is a range of liability charges for each band as it takes into account the areas which attract the Parish Precepts. Properties in Band –A are those that are Band A properties that have been adapted for use by a disabled person.
- The current number of claimants who receive Housing Benefit and Council Tax Benefit is over 33,000. Most claimants will receive both Council Tax and Housing Benefit.
- Pensioner claimants appear to be reasonably stable across the years.
- There is an increasing volume of working age claimants, caused by the economic downturn.
- Most Sefton benefit claimants live in Band A and Band B properties.
- Council Tax Benefit is shown as a credit on the Council Tax account with a bill being sent out for the balance if claimants are not entitled to maximum Council Tax benefit.
- The Council Tax Reduction scheme may pay less benefit to the 17,000 working-age claimants in Sefton.



## Budget Implications

Council Tax benefit expenditure totalled £27.3m in 2011/12. The Government has announced provisional Council Tax support grant allocations of approximately £23.6m to fund this expenditure from April 2013. This results in an initial funding reduction of **£3.7m** (13.6%) before allowing for any change in caseload or a potential reduction in the Council Tax collection rate as a result of the introduction of a new local scheme.

A reduction in the collection rate equivalent to 10% of the initial funding reduction would add a further £0.370m to the cost of the scheme, increasing the saving required to **£4.1m**.

The benefit case load for working age clients has increased by an average of 8.6% per annum over the last two years, which equates to an increase in expenditure of approximately £1.150m each year. If this trend continued in 2012/13 the saving required would increase to **£5.2m**.

However, the Government are forecasting a flattening off of demand from working age claimants and a reduction in pensioner claimants between 2011/12 and 2013/14, equivalent to approximately -£0.470 (-1.7%) at local level. If this occurred the saving required would reduce to **£3.6m**.

Sefton's share of the initial funding reduction (**£3.7m**) is £3.161m (including parish precepts), the remainder of the funding reduction falls on the Major Precepting bodies, the Merseyside Police Authority (£0.372m) and the Merseyside Fire and Rescue Service (£0.167m).

The Council has the option to vary the terms of the current Council Tax benefit scheme for working age claimants in order to reduce the costs of the scheme to mitigate the funding reduction. Alternatively the Council could choose to find the savings from efficiency measures or cuts elsewhere in its budget. However, any funding shortfall not mitigated by changes to the scheme will need to be considered in the context of the £21.7m savings gap already forecast for 2013/14 in the revenue budget report presented to Cabinet on 21<sup>st</sup> June 2012.

## Impact on Households

It is inevitable that reductions in the amount of Council Tax benefit payable to households will have an impact on the amount of income they have available for other needs. This impact will be felt particularly by people who rely on income based benefits for all or part of their income.

Income based benefits are set at a rate to provide basic living expenses for each week, e.g. a single person age 25 or over will be awarded £71 per week in JSA (£56.25 for 16 to 25 year olds). Any reduction in the levels of Council Tax benefit available will mean a reduction in the amount of income available for other needs. As a result households will, at least in the short term, have to make the choice between paying the increase in Council Tax or paying for other daily living costs.

In short, if means tested benefits are paid at the minimum acceptable standards then withdrawing Council Tax benefit will put claimant's income below minimum acceptable standards by the amount of benefit withdrawn.

## Creating the Sefton Local Scheme

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The local Council Tax Reduction Scheme needs to

- Provide assistance to those in financial need
- Promote incentives to work
- Take into account relevant factors such as Equality duty
- Follow statutory requirements and fair procedure when making the scheme.
- Be transparent and accessible

## Impact on Council Tax Collection Levels

In determining the Council Tax Reduction Scheme, the Council must fully consider the householder's ability to pay as this quickly translates into the Council's ability to collect. Many households that currently receive 100% Council Tax Benefit may receive a bill for part of their Council Tax liability that they had not previously faced. Other households may see a marked reduction in the amount of help they receive with their annual Council Tax bill.

It is expected that there will be additional administration and collection costs associated with any cuts to the amount of help people receive with their Council Tax bill. The figures below demonstrate the current difficulties people face in paying their Council Tax when not in receipt of full benefit.

## Liability Orders Obtained – Council Tax Benefit Awarded 2011/12

Total Number of LO's 2011/12	Number of LO's - CTB Awarded	Number of CTB LO's - Paid in Full	Number of CTB LO's With Balances	Cash Value Of CTB LO's With Balances
10128	1798	395	1403	£455887.75

### Notes to the above table

- The figure of 1798 is based on cases with Council Tax Benefit in payment as at 31.03.12.
- Some of the awards were only made after the Liability Order was obtained.
- The figures do not include cases where Council Tax Benefit was no longer in payment at 31.03.12 or has been awarded for inclusive periods within the financial year.

The above figure of 1403 can be broken down further in terms of the current enforcement stage in each individual case.

Recovery Stage	14 Day Letter	AOB	AOB Pending	AOE	AOE Pending	Bailiff	Arrangement
Number	25	381	257	14	17	514	195

### Key

14 Day Letter = Letter sent warning of bailiff action  
AOB = Attachment of Benefit in place (£3.40 deduction per week)  
AOB Pending = Attachment pending as an earlier debt still subject to an attachment  
AOE = Attachment of Earnings  
AOE Pending = Attachment pending as an earlier debt still subject to an attachment  
Bailiff = Case with bailiff for collection  
Arrangement = Payment arrangement agreed with Sefton

## **Additional Information**

83% of the cases with balances are HB/CTB cases – current value £378,386.83.

## **Methodology used for options design:**

The Operational workgroup and relevant officers within the Council developed a range of potential options within the required Government framework for the Local Council Tax Reduction Scheme. The Group identified and examined the potential effects on benefit claimants, developed information sharing channels and attended various meetings to discuss potential implications of the impending changes.

Background information was gathered from a number of sources prior to and during the process as follows:

- Professional organisations i.e. CIPFA and IRRV
- Government seminars and workgroups
- Merseyside Practitioners working group
- Working with other Local Authorities
- Software providers – to ensure any proposals can be delivered.

## **Draft Scheme Design**

The draft Scheme addresses the funding shortfall for Council Tax Benefit claimants through three principle areas:-

- a) To reduce the Council Tax discounts and exemptions on certain unoccupied properties. This will provide the Council with additional funding to minimise the impact for working age claimants and will support other Council objectives such as bringing empty properties back into use. The proposed changes to Council Tax discounts and exemptions will not affect the majority of Council Tax Benefit claimants.
- b) To consider a level of Council Tax payable by all claimants of the Council Tax Reduction Scheme.
- c) To adjust the specific rules for some claimants.

## **Technical Reforms to Council Tax discounts & exemptions**

The Government is proposing changes to Council Tax Discounts & Exemptions to certain classes of unoccupied properties. The Government intends to make the change in legislation to take effect for the year 2013/14.

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The proposed Council Tax Technical Reforms have been included to achieve the required financial savings for the Council Tax Reduction Scheme in Sefton to relieve the impact for working age claimants.

The changes to Council Tax discounts and exemptions will require a Council resolution later in the year once enabling legislation is in place.

## a) Increase Council Tax Base (Council Tax Technical reforms)- Revenues Fact Sheets 1, 2 ,3 & 4

Proposed Measures	Current Regulation	Government Proposal	Council Proposal	No of properties affected	Estimated Cash value
a) Removing the Council Tax discount for properties not occupied as a main home	10% discount	Allow Councils to reduce the discount to nil	To reduce the discount to 0%	530	£72,000
b) Removing the Council Tax six month exemption for unoccupied & unfurnished properties	Class C exemption- 6 months exemption	Abolish the exemption and allow Councils to give a discount between 0% and 100%. The period of the discount must be 6 months.	To reduce the discount to 50% for the 6 month period	1570	£456,000
c) Removing the discount on long term empty properties and charging an 'empty homes premium' of 50% on properties left empty for more than 2 years	0% discount after 6 months	Allow Councils to levy an 'empty homes premium' on properties left empty for longer than 2 years.	To charge a premium of 50% making the total liability 150% after 2 years	896	£523,000
d) Removing the Council Tax exemption on empty properties undergoing major repair or structural alteration	Class A exemption –up to 12 months exemption	Abolish the exemption and allow Councils to grant a discount between 0% and 100% for 12 months	To reduce the discount to 50%	364	£237,000
<b>Total</b>					<b>£1,200,000</b>

Pros	Cons
<ul style="list-style-type: none"> <li>Minimises the financial impact for working age claimants.</li> <li>Potential additional income to LA</li> <li>Would encourage owners/landlords to sell/let properties quicker.</li> <li>Interaction with Empty Homes &amp; other initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs for homeowners trying to sell.</li> <li>Changes in housing market may impact on number of properties affected and will therefore reduce potential income.</li> <li>Avoidance tactics</li> <li>Collection impact</li> </ul>

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It is proposed that the draft Council Tax Reduction Scheme be calculated as a means tested discount, defined by the terms of the existing Council Tax Benefit Scheme except as identified below:-

## b) Limit liability- working age claimants will pay a percentage of their bill – Liability 5, 7, 8

Description	Estimated value	Summary
Limit to a percentage of liability when calculating entitlement to Council Tax Reduction. (after discounts& reliefs)	a) 70% = £4,500,000 b) 80% = £3,020,000 c) 85%= £2,270,000 -	This means that everybody will pay a percentage of their Council Tax bill
<b>Key Pros</b>		<b>Key Cons</b>
<ul style="list-style-type: none"> <li>Creates incentive to work</li> <li>Affects all working age claim types irrespective of income</li> <li>Spreads burden across all working age claimants</li> <li>Easy to understand and administer</li> </ul>		<ul style="list-style-type: none"> <li>Creating new CT liabilities for around 11,000 households who previously did not have to pay anything on the lowest incomes and subsequently have the least disposable income from which to pay.</li> <li>Collection rates are likely to be low for this group.</li> <li>Increased administration for Council Tax collection</li> <li>Increased demand for front line services</li> <li>Forecasting future savings is difficult</li> </ul>

## c) Specific Rules

**Capital limit – do not grant a Council Tax Reduction to any working age claimant who has capital savings above £6,000 – Capital 1**

Description	Estimated Value	Summary
Do not grant a Council Tax Reduction to a working age claimant who has capital savings above £6,000.	£80,000	Current Council Tax benefit scheme calculates tariff income of £1 per week for every £250 capital or part thereof in excess of £6,000. Any capital over £16,000 would automatically disqualify a person from entitlement to claiming Council Tax benefit. Generally, for the purposes of calculating entitlement, capital takes the form of savings (e.g. in cash, building society accounts, bank accounts, stocks & shares, ISA's etc.) but excludes the value of the property where the claimant lives.
<b>Key Pros</b>		<b>Key Cons</b>
<ul style="list-style-type: none"> <li>Capital can be used to pay for Council Tax liability</li> <li>Affects all working age claim types that have not been transferred from DWP to Council Tax Benefit Scheme</li> </ul>		<ul style="list-style-type: none"> <li>Use of capital may limit long term savings for the scheme</li> <li>Claimants may reduce capital in order to qualify for a reduction</li> </ul>

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## Remove the second adult rebate for working age claimants–Liability 11

Description	Estimated Value £k	Summary
Remove entitlement for working age claimants to Council Tax Second Adult rebate	£48,000	Second adult rebate is based on the income & circumstances of other adults living in the household with the claimant & partner.
<b>Key Pros</b>		<b>Key Cons</b>
<ul style="list-style-type: none"> <li>• Simplifies scheme</li> <li>• Creates incentive to work</li> </ul>		<ul style="list-style-type: none"> <li>• Increased administration for Council Tax collection</li> <li>• Does not interact with other Council Tax discounts (sole occupier, students)</li> <li>• Will continue to operate for pensioner claims</li> </ul>

## Withdraw facility to backdate the Council Tax Reduction award – Parameters 2.

Description	Estimated Value	Summary
Withdraw facility to backdate award for working age claimants.	£25,000	Currently working age claimants can have their benefit backdated for up to 6 months in cases where they can provide “good cause” why they did not apply earlier (e.g. hospitalisation, bereavement etc.)
<b>Key Pros</b>		<b>Key Cons</b>
<ul style="list-style-type: none"> <li>• Simplifies the benefit scheme</li> <li>• Reduces administration costs</li> <li>• Encourage claimants to claim on time</li> </ul>		<ul style="list-style-type: none"> <li>• Could disadvantage vulnerable claimants</li> </ul>

## Reduce or Remove deduction for “non-dependants” for working age claimants Household 3 and 4

Description	Estimated Value	Summary
1. Remove deduction for non-dependant(s) for working age claimants or, 2. Introduce flat rate deductions for non-dependants for working age claimants:- <ul style="list-style-type: none"> <li>• £2.00 per week for non-working non dependants</li> <li>• £5.00 per week to apply to all working age working no dependants.</li> </ul>	1. £178,000 (minus)  2. £72,000 (minus)	Current deductions range from £0.00 to £9.90 per week depending on the income of the non-dependant. Note: There are no non-dependant deductions for Council Tax Benefit if the claimant or partner - <ul style="list-style-type: none"> <li>• Is blind or has recently regained their sight or,</li> <li>• Receives the care component of disability living allowance payable at any rate or receives attendance allowance payable at any rate.</li> </ul>
<b>Key Pros</b>		<b>Key Cons</b>
<ul style="list-style-type: none"> <li>• Will help to mitigate impact of welfare reform on households.</li> <li>• Creates incentive to work for Non dependents who can contribute to the Council Tax bill</li> </ul>		<ul style="list-style-type: none"> <li>• Claimants who currently do not qualify could now qualify – forecasting implications unknown.</li> </ul>

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<ul style="list-style-type: none"><li>• May encourage renting householders to take in lodgers where they under occupy homes, make better use of housing stock and reduce chance of landlords pursuing repossession.</li></ul>	
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# Agenda Item 8

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**Report to:** Cabinet  
Council

**Date of Meeting:** 16 August 2012  
6 September 2012

**Subject:** Merseyside and Halton Waste Local Plan - Modifications arising from Public Examination

**Report of:** Director of the Built Environment **Wards Affected:** All

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** Yes

**Exempt/Confidential**

No

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## Purpose/Summary

This report seeks to:

- (i) Update Members on progress and the outcomes of the public Examination process for the Waste Local Plan to date;
- (ii) Seek approval of the main modifications to the Waste Local Plan required as a result of the Examination process;
- (iii) Seek approval for consultation on the modifications required;
- (iv) Set out the final stages to Waste Local Plan adoption.

## Recommendations

That Cabinet recommend that Council approve

- the modifications (both main and additional) to the Waste Local Plan
- public consultation on the modifications to the Waste Local Plan
- to delegate District officers within the Waste Local Plan Steering Group to make necessary further minor and typographical changes to the Waste Local Plan prior to Council approval being sought for adoption.

## That Council approve

- the modifications (both main and additional) to the Waste Local Plan
- public consultation on the modifications to the Waste Local Plan
- to delegate District officers within the Waste Local Plan Steering Group to make necessary further minor and typographical changes to the Waste Local Plan prior to Council approval being sought for adoption.

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## How does the decision contribute to the Council’s Corporate Objectives?

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

### Reasons for the Recommendations:

So that the proposed modifications to the Waste Plan can be consulted on and submitted to the Inspector.

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

#### (A) Revenue Costs

There are no additional revenue implications arising from this report. The costs associated with addressing the required modifications to the Plan and the further consultation that will then be required can be met from the existing Local Plans Budget.

#### (B) Capital Costs

N/A

### Implications:

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

<b>Legal</b>	
Paragraph 178 of the National Planning Policy Framework states that "Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities". Waste management is one of the strategic priorities set out in paragraph 156 of the NPPF	
<b>Human Resources</b>	
N/a	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>

3. Equality Implication identified and risk remains

**Impact on Service Delivery:**

The proposed amendments to the Merseyside Waste Local Plan will help to ensure that the Plan will be found 'sound' at examination and therefore able to provide an up-to-date approach to dealing with waste effectively across the Borough and the sub-region.

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

The Head of Corporate Finance (FD1692) and Head of Corporate Legal Services (LD1017/12) have been consulted and any comments have been incorporated into the report.

**Are there any other options available for consideration?**

No. This is a statutory requirement

**Implementation Date for the Decision**

Immediately following the Council.

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**Background Papers:**

There are no background papers available for inspection.

**1. Introduction/Background**

1.1 Members approved the Publication and Submission of the Joint Merseyside and Halton Waste Development Plan Document (now known as the Waste Local Plan) at Full Council meetings between September and December 2011. The Waste Local Plan seeks to guide the future development of waste management and disposal facilities across the 6 partner Districts through a combination of policies and land allocations that will seek to move waste management up the Waste Hierarchy [i.e. more re-use and recycling] and away from landfill disposal. The Waste Local Plan must conform to national policy and meet the waste management needs of the Plan area.

1.2 It has taken several years of joint working, local authority investment and public consultation to get the Waste Local Plan to this advanced stage. The Plan has been prepared within the context of a rapidly changing availability of land which is suitable for waste management facilities. Technology continues to change rapidly as do the contractual and economic considerations governing the availability of land and investment finance. This has created the need for the Waste Local Plan to be adaptable and have the ability to respond to change through a flexible policy framework. Throughout Waste Local Plan preparation, considerable effort has been expended on ensuring that the technical evidence base is robust and up-to-date.

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## 2. Public Examination Hearing and Required Modifications

- 2.1 The Waste Local Plan was submitted for Public Examination in February 2012. An independent Planning Inspector, Elizabeth Ord, was appointed by the Secretary of State to examine the Waste Local Plan. Her role is to examine and test the legal compliance and soundness of the submitted plan. Any further changes to the Plan must be owned and led by the Plan's sponsors – the six Local Planning Authorities – in response to the findings of the Examination process. The Public Hearings are currently adjourned to allow consultation to take place on a number of proposed modifications that the Inspector believes are necessary before she can recommend that the Plan can be adopted.

## 3. Hearing Outcomes

- 3.1 As part of the Examination process, all the representations received during the consultation process were assessed by the Planning Inspector on the basis of whether they identified any soundness or legal compliance issues and whether changes suggested are necessary to make the Plan sound. A total of 68 representations were received from 37 organisations and individuals. Table 1 lists the organisations that appeared at the Hearing sessions to present their case. For all representations submitted the Districts, with technical support from MEAS, not only responded directly to the issues raised but also responded to the questions posed by the Inspector. 80 additional queries or questions were raised by the Inspector prior to the Hearing sessions and were answered by MEAS and the Districts to the satisfaction of the Inspector. The hearing sessions were focussed on the matters of greatest importance as identified by the Inspector.

Table 1: Organisations that Appeared at the Waste Local Plan Examination in Public (June 2012)

Name of Organisation	Matter of Concern
Peel Holdings	Sub-regional sites and flexibility
Associated British Ports	Sub-regional sites and flexibility
Cheshire West and Chester Council	Export of waste to landfill outside Merseyside and Halton, and utilisation existing void space. Overarching waste strategy and Energy from Waste
Lancashire County Council	Export of waste to landfill outside of Merseyside and Halton and utilisation of existing void space. Overarching waste strategy, vision and strategic objectives
Rainford Parish Council	Sub-regional sites
Cory Environmental (Central) Ltd	Allocation of landfill and use of available void space
Merseyside Recycling and Waste Authority	Energy from Waste
Sanderson Weatherall representing the Bank of Ireland	Landowner interests with respect to site S1 (Sandwash Close, St.Helens)

- 3.2 Copies of all the representations considered by the Inspector can be viewed on the Waste Planning Merseyside consultation portal at [http://merseysideeas-consult.limehouse.co.uk/portal/public\\_docs/wdpd\\_docarchive](http://merseysideeas-consult.limehouse.co.uk/portal/public_docs/wdpd_docarchive) .

MEAS and the Waste Planning Authorities have worked proactively to resolve as many residual objections as possible both before and during the Hearing sessions. Statements of common ground have been agreed with ABP, Cory Environmental, Cheshire West and Chester Council and Peel Holdings. Substantial progress has also been made in resolving the issues raised by Lancashire County Council and the Merseyside Recycling and Waste Authority.

## **4. Legislation and Policy Changes**

- 4.1 Since the Publication and Submission of the Waste Local Plan several important national changes have taken place, including the publication of the new National Planning Policy Framework (The Framework), the Localism Act 2011 and new national Local Planning Regulations. There has also been a steady stream of new initiatives and guidance from the Planning Inspectorate, DCLG and the Planning Officers Society. Two of the new requirements have required an immediate and direct response in the Waste Local Plan.
- 4.2 Firstly, a new Duty to Co-operate has been introduced which requires new ways of proactive working to resolve issues with neighbouring authorities and others during the Plan making process. Fulfilment of the Duty to Co-operate is an absolute test, which the Waste Local Plan must either pass or fail. The Waste Local Plan has, however, appeared to fare well against this test by virtue of the fact that it is a joint plan founded on a high level of prolonged co-operation between the Districts, and that regular consultation and involvement had already taken place with neighbouring authorities and other relevant agencies throughout the Plan preparation process.
- 4.3 Secondly, The Framework now includes a requirement for all plans, irrespective of their scope or content, to include an explicit policy statement to support the implementation of the new presumption in favour of sustainable development. The inclusion of the presumption is a non-negotiable requirement. This issue was identified by the Inspector during the pre-hearing meeting in April and was confirmed as a requirement in June, despite counter arguments being advanced by the Districts. A new Policy (WM0) on the presumption in favour of sustainable development has therefore been included in the Plan. This policy is based on a “model policy” provided by the Planning Inspectorate, which covers the requirement set out in the Framework.

## **5. Modifications**

- 5.1 The imposed inclusion of this new policy triggers a procedural requirement to advertise and consult on a “main modification” to the Waste Local Plan. Not only does this require a new consultation with its inherent costs and timescale implications but it also requires a round of further Council approvals.
- 5.2 Other modifications have also been proposed to respond to the justifiable concerns of objectors to the Plan, where the Inspector indicated that they ought to be addressed. The modifications seek to improve the Plan in terms of greater policy clarity, and improved site deliverability. The key changes are termed “main modifications” and were discussed in detail and at length during the Examination Hearing sessions.
- 5.3 A total of eight main modifications were discussed and agreed in principle during the Examination process. None of these main modifications change the policy

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direction, strategy or agreed approach of the Waste Local Plan. Rather, they further improve the Plan and should make complying with and interpreting policy more straightforward. Six main modifications relate to policy and two to sites and are summarised in Table 2 with changes to the detailed policy wording presented in the Annex.

- 5.4 Responding explicitly to issues of particular concern to the Planning Inspector should increase the likelihood that the Waste Local Plan will be declared sound and suitable for formal adoption.

Table 2: Summary of Main Modifications to the Waste Local Plan (See the Annex for full details)

<b>Nature of Main Modification</b>	<b>Reason for Modification</b>
New Policy – WM0 Presumption in Favour of Sustainable Development	Imposed modification resulting from changes to national planning policy.
Overarching Waste Management Strategy Re-wording to clarify intent of strategy.	Following objections from Cheshire West & Chester and Lancashire County Councils.
Policy WM2 – Sub-regional Sites Substitution of sub-regional site in St Helens Port-based sub-regional sites exempted from safeguarding due to strategic nature of ports.	Substitution following late withdrawal of support by landowner. Exemption following objections from Peel Holdings Ltd and Associated British Ports.
Policy WM3 – District-level Sites Removal of site H3	Site removed following late withdrawal of support by landowner for operational reasons.
Policy WM7 – Protecting Existing Waste Management Capacity Making the implicit intent with respect to protecting landfill void space more explicit.	To improve the deliverability of the Plan following objections from Cheshire West & Chester and Lancashire County Councils and Cory Environmental (Central) Ltd.
Policy WM13 – Planning Applications for New Waste Management Facilities on Unallocated Sites Minor re-wording	To bring policy in line with changes proposed to policy WM15.
Policy WM14 – Energy from Waste Provision of criteria based wording to enable EfW if existing operational or consented capacity unavailable.	To improve the deliverability of the Plan following objections raised by Cheshire West & Chester and Merseyside Recycling and Waste Authority.
Policy WM15 – Landfill on Unallocated Sites To make intent of policy clearer and the wording more positive.	To improve the deliverability of the Plan following objections from Cheshire West & Chester and Lancashire County Councils and Cory Environmental (Central) Ltd.

- 5.5 The main modifications must now be formally endorsed by each of the partner Councils and consulted on before the Inspector can take them into account. The main modifications must also be reassessed in terms of Sustainability Appraisal and Habitats Regulations Assessment to demonstrate full procedural compliance.

Again, this is a non-negotiable requirement which will also reduce the risk of legal challenge.

5.6 A number of additional more minor modifications have also been proposed, in discussion with the Inspector, to further improve the interpretation of the Plan. These are of less concern to the Inspector's final report but are nonetheless important in terms of clarifying and explaining how the Plan will deliver its objectives. It is advisable that these additional modifications are also subject to public consultation to comply with Statements of Community Involvement and to guard against legal challenge. The additional modifications are also summarised in the Annex and their scope primarily relates to changes to the supporting text and minor changes to site profiles. Again, none of the additional modifications proposed will change the overall strategy or policy direction of the Waste Local Plan.

5.7 Since the report was approved by Planning Committee on 25th July, the Inspector has suggested several changes to the schedule of Modifications. Mainly these have been suggestions to move text from "Additional" to "Main" modifications. These changes are summarised below.

- These further changes to the Main Modifications are as follows:
  - Policy WM0 – very minor changes to wording for clarification (Inspector was concerned that the current wording implied that other LDF documents were somehow part of the Waste Local Plan)
  - Policy WM2 – some explanatory text (para 4.15) moved from Additional Modifications Schedule to the Main Modifications Schedule
  - Policy WM7 – Additional sentence inserted under "criteria for protecting existing WM capacity" as follows: "One or more of the above criteria must be met for a change of use to be acceptable".
- Changes to Additional Modifications:
  - WM15 – Explanatory text added for this policy
  - Changes to Site Profile for site S3 (change to permitted extraction area)
- Change to Generic modifications: update reference to Core Strategies and other Development Plan Documents to reflect the terms used in the new planning guidance.

## **6. The Approvals and Consultation Process for Modifications**

6.1 Council approval is required by all Districts prior to the advertising and consultation of the modifications to the Waste Local Plan. The last programmed Full Council approval is time-tabled for 17<sup>th</sup> October 2012 after which the Schedules of Changes to the Waste Local Plan will be printed, advertised and consulted upon for a 6-week period. This is the minimum period required to comply with the districts' Statements of Community Involvement. Members should note that the scope of the consultation is restricted to the modifications only – any observations on other elements of the Plan would at this stage be inadmissible.

6.2 Given that a replacement sub-regional site is required in St. Helens, to guard against the risk of procedural challenge it is recommended to arrange a single

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public consultation event to support the allocation of the site identified, even though the replacement site was previously consulted upon at an earlier stage.

- 6.3 Following completion of the consultation, the Merseyside Environmental Advisory Service and the Districts will consider and collate the representations received and pass this information to the Inspector. It is a matter for the Inspector to consider the merits of this information and to form a view on whether she wishes to reconvene further Hearing session(s) to discuss the new representations received and whether there are any issues that require further exploration. Alternatively, the Inspector can proceed without a further Hearing to the completion of her Report.

## 7. Final Steps

- 7.1 The Inspector's report, which is estimated to be delivered in late January / February 2013, will state whether the Plan meets the stringent legal compliance, soundness and Duty to Co-operate tests and is suitable for adoption. Two outcomes are possible. If the Plan meets the tests the Councils can proceed to formal adoption. If the Plan fails the tests, a step back will be required in order to address the issues identified. Given that the Inspector has indicated broad support for the proposed modifications, this outcome is considered less likely, subject to any further consultation comments by third parties. However it is important that Members appreciate that the main modifications to the Waste Local Plan set out in this report are deemed essential to pass the necessary Examination tests.

- 7.2 On the assumption that the Waste Local Plan is found to be legally compliant and sound then the Districts will be able to proceed to the following final stages:

- Agree the date that the Waste Local Plan will become a material consideration in the determination of planning applications, which is most likely to be the date of publication of the Inspector's report;
- Council approvals to formally adopt the Waste Local Plan as part of their own statutory land use development frameworks;
- Agree a single adoption date from which the Waste Local Plan would come into full effect in the Districts;

These matters will be the subject of a further report to each of the Councils during early 2013.

A Schedule of Requested Main Modifications and additional Modifications for the Merseyside and Halton Waste Local Plan can be viewed by accessing the Council's Document Library using the following link:

<http://modgov.sefton.gov.uk/moderngov/documents/s40895/Schedule%20of%20Requested%20Main%20Modifications%20and%20additional%20Modifications%20for%20the%20Merseyside%20and%20Halton%20Waste%20Local%20Plan.pdf>



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**Report to:** Cabinet Member Transportation      **Date of Report / Meeting :** 3<sup>rd</sup> August 2012  
Cabinet      16<sup>th</sup> August 2012  
Council      6<sup>th</sup> September 2012

**Subject:** Merseyside Local Sustainable Transport Fund Major Project

**Report of:** Director of Built Environment      **Wards Affected:** Church, Victoria, Manor, St Oswald, Molyneux, Netherton & Orrell, Litherland, Ford, Linacre, Derby

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** No

**Exempt/Confidential**      No

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## **Purpose/Summary**

To advise the Cabinet of Sefton's role in the Merseyside Local Sustainable Transport Fund major project and to seek authority to commit and to allocate the funds.

## **Recommendation(s)**

It is recommended that Cabinet Member Transportation notes the report and recommends Cabinet to approve the allocation of funds and authorise officers to commence commitment of the funds.

### Cabinet

It is recommended that:-

- (i) Cabinet note the elements of the Merseyside LSTF major project to be delivered in Sefton; and
- (ii) Cabinet note that Merseytravel is the lead accountable body for the Merseyside LSTF major project; and
- (iii) Cabinet authorises the Strategic Director - Place to enter into a formal agreement with Merseytravel for the funding, delivery and monitoring of the project; and
- (iv) Cabinet requests Council to approve the inclusion of £646,000 in the Capital Programme phased as indicated in paragraph 2.5; and
- (v) Cabinet requests Council to approve the inclusion of £300,000 grant funding from Sustrans in the Capital Programme towards the delivery of the Hightown to Formby Coastal Path Improvements; and
- (vi) Subject to Council approval of items (iv) and (v) above, Cabinet authorises officers to commence commitment of the funds; and
- (vii) It be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of

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the Overview and Scrutiny Committee (Regeneration and Environmental Services) has been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by 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 of the need to secure an amendment to the Capital Programme with sufficient time to deliver the elements required in 2012/13. The Department for Transport announcement of the overall allocation for the Merseyside major project was only made on the 27<sup>th</sup> June and subsequently confirmed in a letter to Merseytravel dated 4<sup>th</sup> July. However, this did not indicate which elements of the overall major project would be funded and confirmation of the level of funding for Sefton's elements of the project was only received from Merseytravel in a letter dated 19<sup>th</sup> July. The project requires an amendment to the Capital Programme to include the grant allocation of £166,000 capital resources for 2012/13. The allocation for 2012/13 must be spent in 2012/13 and cannot be carried forward. Approval to amend the Capital Programme is therefore required at Cabinet on 16<sup>th</sup> August and Council on 6<sup>th</sup> September. If the decision was deferred until the next Forward Plan, the amendment to the Capital Programme would not be made until Council on 22<sup>nd</sup> November. This delay would make it impossible to achieve the required spend of the 2012/13 allocation. The recent nature of the announcement and funding details meant that it was not included on the Forward Plan and the timing of future Cabinet and Council meetings means that it cannot be deferred to the next Forward Plan.

## Council

It is recommended that:-

- (i) Council approves the inclusion of £646,000 in the Capital Programme phased as indicated in paragraph 2.5; and
- (ii) Council approves the inclusion of £300,000 grant funding from Sustrans in the Capital Programme towards the delivery of the Hightown to Formby Coastal Path Improvements

## How does the decision contribute to the Council's Corporate Objectives?

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

**Reasons for the Recommendation:**

To allow the funds to be committed to commence delivery of the bid and ensure the required spend is made in the current financial year.

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

**(A) Revenue Costs**

£440,000 of LSTF grant available over the three years of the fund (until 31 March 2015), including £100,000 in 2012/13

**(B) Capital Costs**

£646,000 of LSTF grant available over the three years of the fund (until 31 March 2015), including £166,000 in 2012/13

£300,000 of Sustrans grant funding towards delivery of Phase 2 of the Hightown to Formby Coastal Path Improvements in 2012/13

All LSTF grant funds will be met by the Department for Transport through the Local Sustainable Transport Fund through Merseytravel as the accountable body. The Sustrans grant will be met through their DfT funded Links to Schools Programme and will be paid directly to Sefton Council.

**Implications:**

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

<b>Legal</b>	None
<b>Human Resources</b>	None
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

None

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

The Head of Corporate Finance & ICT (FD1696/12) has been consulted and any comments have been incorporated into this report.

Head of Corporate Legal Services (LD1025/12) has been consulted and any comments have been incorporated into the report.

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Are there any other options available for consideration?

No

## **Implementation Date for the Decision**

Immediately following the Council meeting

**Contact Officer:** Stephen Birch Team Leader STPU  
Investment Programmes & Infrastructure

**Tel:** 0151 934 4225

**Email:** [stephen.birch@sefton.gov.uk](mailto:stephen.birch@sefton.gov.uk)

## **Background Papers:**

Letter from Merseytravel (19<sup>th</sup> July 2012) - Large Project Local Sustainable Transport Fund Grant Award

Letter from Sustrans (30<sup>th</sup> May 2012) – Round 9 Links to Schools Programme – 2012/13 – Formby & Aintree

## **1.0 Introduction**

- 1.1 At the meeting of the Cabinet held on 14<sup>th</sup> April 2011, Members approved the progression of bids for inclusion in the Local Sustainable Transport Fund (LSTF) in partnership with the Merseyside Integrated Transport Authority (ITA) and the Merseyside local authorities. The Merseyside bid consisted of a Key Component element and a Major Bid.
- 1.2 The Key Component Bid was approved by the Department for Transport and the success of the Merseyside bid and an overview of the content of the project was reported to Cabinet on 21<sup>st</sup> July 2011. On 18<sup>th</sup> August 2011, Cabinet approved the funding arrangements for the Key Component Project and the inclusion of the project grant in the Council budgets.
- 1.3 An expression of interest relating to the proposed Merseyside Major Bid was submitted to the Department for Transport in June 2011 and following approval by the DfT, a detailed major bid and supporting business case was prepared and submitted to the DfT in December 2011. The DfT announced on the 27<sup>th</sup> June 2012 that the Merseyside major project bid had been granted £19.99m.

## **2.0 The Merseyside LSTF Major Project - Supporting Sustainable Access to Opportunity in Merseyside**

- 2.1 The Merseyside major project submitted by Merseytravel was for £21.7m, to be used across Merseyside to support sustainable access to employment and opportunity. It contained about 50 complementary interventions to be delivered across Merseyside by a range of partner organisations. The bid was based around four main areas of activity, in common with the Key Component Project; Working with Employers, Travel Solutions, Sustainable Transport Infrastructure and Bus Services. It contained a mix of both revenue and capital funding.
- 2.2 Merseytravel has confirmed that Sefton will receive £1,096,000 (comprising £440k revenue, £646k capital and £10k maintenance allowance) from the Merseyside project to work with local communities, businesses, schools and colleges in addressing transport issues and to improve accessibility for pedestrians and cyclists to key employment locations, local centres and facilities and education and training establishments and to introduce community based low speed zones. Further details are provided below.
- 2.3 Merseytravel will act as the lead Authority and accountable body. The project will be administered by Merseytravel in accordance with the Terms and Conditions specified by the Department for Transport (DfT). The letters of confirmation for the project from Merseytravel and the DfT are attached as Annex A. Merseytravel will enter into formal agreements with the partner local authorities for the management, delivery and monitoring of the project in the same way as has been done for the Key Component Project. This will be finalised as quickly as possible so that the spending commitments for 2012/13 can be met as the DfT has made it clear that there is no scope for carrying forward any funding to future years.
- 2.4 It is recommended that the Strategic Director - Place is authorised to enter into the formal agreement to enable the delivery and financial management of the project.

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2.5 The funding amounts and spend profile for the components of the project to be delivered in Sefton are summarised below.

	£k	2012-13	2013-14	2014-15	Total
<b>Travel Solutions (Revenue funding)</b>					
Transitional transport solutions	Revenue	32	55	55	<b>142</b>
Active Sefton	Revenue	68	115	115	<b>298</b>
<b>Total Revenue</b>		<b>100</b>	<b>170</b>	<b>170</b>	<b>440</b>
<b>Sustainable transport infrastructure (Capital funding)</b>					
Access to key employment locations	Capital	0	35	35	<b>70</b>
Community based low speed zones	Capital	50	100	100	<b>250</b>
Local area accessibility improvements	Capital	50	55	55	<b>160</b>
Access to education and training locations	Capital	66	50	50	<b>166</b>
<b>Total Capital</b>		<b>166</b>	<b>240</b>	<b>240</b>	<b>646</b>

2.6 Members will note that there is a considerable amount of spend profiled for 2012/13 and in order to deliver the aims of the project and meet this spend it is necessary to commence committing funds at the earliest opportunity.

2.7 In view of the above and subject to confirmation of the funding agreement with Merseytravel and Council approval of the capital budget, the Cabinet is requested to authorise officers to commence commitment of the funds identified for 2012/13. Delivery of these commitments will be subject to subsequent reports to the Cabinet Member –Transportation.

### 3.0 Project Spend 2012/13

3.1 Paragraph 2.5 above outlines the spend profile for all Sefton's elements of the Merseyside LSTF major project. The proposed spend for 2012/13 is as follows:-

3.2 **Transitional Transport Solutions (£32k Revenue)** - The transitional transport solutions project consists of the provision of information, advice, training and practical assistance specifically targeted at those making the transition from school into college, training or employment or those leaving college to enter training or employment. The aim of the scheme is to establish and reinforce sustainable travel behaviour patterns with a target market/audience who are undergoing a significant transition in their life and, as such, are more open to new opportunities and more willing to change. The project will engage with the high schools and colleges in south Sefton to offer advice and support for those about to leave the school or college.

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- 3.3 **Active Sefton (£68k Revenue)** – The Active Sefton project consists of a series of community based campaigns and programmes to support and promote walking, cycling and public transport as part of a wider active and healthy lifestyle programme. It is intended to develop confidence and independence and to improve health and well being among local populations, whilst also encouraging greater use of local facilities and local businesses. This programme will be delivered as part of the existing Active Sefton brand and focus on local communities. It will be delivered in partnership with NHS Sefton and Sefton CVS who would lead the establishment of a series of community based programmes to support and encourage active travel to school, to employment and to local services and facilities. The programme will seek to involve local businesses, community organisations and health and education establishments.
- 3.4 **Sustainable Transport Infrastructure (£166k Capital)** – This element of the project is intended to provide new or improved infrastructure that will support walking, cycling or public transport access to key employment locations, to local centres, to schools and colleges and in residential areas. A comprehensive approach to encourage walking, cycling and public transport use by improving walking and cycling infrastructure will be developed, complemented by the transport solutions packages. An area focussed approach will be used to develop a range of measures, appropriate to the local area, to make it safer and easier for people to walk, cycle or use public transport within their communities and to get access to employment, to local centres and facilities and to schools and colleges.
- 3.4.1 The proposed infrastructure improvements to key employment locations will be linked with the similar measures proposed in the key component project, but will enable additional sites to be improved. As with the key component elements, they will be supported by funding from other programmes, including the LTP capital programme.
- 3.4.2 The community based low speed zones will concentrate on local residential areas and local centres. Low speed zones are more successful if there is community ownership and a combined approach through community consultation and engagement and the Active Sefton package will provide this support and involvement. The low speed zones will be an important component in creating the perception of safety needed to encourage walking and cycling within local residential areas and both to and around local centres.
- 3.4.3 The local area accessibility improvements seek to remove barriers to walking, cycling and public transport use to important local centres and facilities. These will include rail stations, local shops, health centres, GP surgeries and libraries. The accessibility and attractiveness of local centres and local facilities plays an important role in their continued viability and the level of use by local communities. This project combined with the Active Sefton initiative will provide a comprehensive approach to removing the barriers to sustainable travel, thereby encouraging greater local access to and use of local centres and facilities.
- 3.4.4 High schools, colleges and other training establishments will be targeted for investment in infrastructure measures to improve access and to promote walking, cycling and public transport use. These measures will reinforce the transport solutions campaigns to encourage sustainable transport use and develop confidence, independence and life-skills by providing the infrastructure that makes it easier and safer to walk, cycle or use public transport. The transport solutions campaigns will provide the advice and assistance needed to support sustainable

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transport while the measures provided through the capital investment programme will address the physical barriers and obstacles to greater uptake of sustainable transport activity.

## **4.0 Sustrans Linking to Schools grant**

- 4.1 The proposals to upgrade the Sefton Coastal Path between Hightown and Formby have been approved as part of the LTP Capital Programme. Phase 1 of the project was completed in 2011/12 and Phase 2 is proposed for implementation in 2012/13. Phase 2 comprises the construction of a new footbridge (also suitable for cyclists) across the River Alt and the upgrade of 2km of the existing footpath to a path suitable for use by pedestrians and cyclists. The total cost of Phase 2 is estimated at £550,000, which will be met through £300,000 of grant funding from Sustrans, £100,000 of LSTF funding from the existing Sefton LSTF project and £150,000 from the LTP Capital Programme.
- 4.2 Confirmation of the grant from Sustrans was received in June (letter dated 30<sup>th</sup> May 2012). The grant is provided through the DfT funded Links to Schools Programme. Although the scheme has been identified in the LTP Capital Programme, the Sustrans grant needs to be included in the Council's Capital Programme. Cabinet is therefore requested to approve the inclusion of the £300,000 Sustrans grant in the 2012/13 Capital Programme.

## **5.0 Financial Implications**

- 5.1 The Head of Corporate Finance and ICT comments that the financial implications of the report for the Council are that the expenditure of £100,000 revenue and £166,000 capital to be incurred in 2012/13 is to be funded by grant from the Local Sustainable Transport Fund, along with further funding up to 2015 as shown in the schedules above, awarded by the Department for Transport and administered by Merseytravel. Grant will be claimed quarterly in arrears based on actual spend in the same way as the Key Component Project. In addition, spend of £300,000 capital to be incurred in 2012/13 as part of the Hightown to Formby Coastal Path Improvements is to be funded by grant from Sustrans. The grant will be claimed quarterly in arrears based on actual spend. There are not expected to be any financial resource implications to the Council as a result of these projects as they are fully funded.





# Merseytravel

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**Our ref:** LTP/BW/AS/SB/jg      **Contact:** Barbara Wade  
**Your ref:**                              **Tel:** 0151 330 1852  
**Date:** 19 July 2012

Ms Amanda Langan  
 Head of Investment Programme & Infrastructure  
 Sefton Council  
 Bootle Town Hall  
 Oriel Road  
 Bootle L20 7AE

Dear *Amanda*,

## Large Project Local Sustainable Transport Fund (LSTF) Grant Award for Financial Year 2012/2013

Following the notification letter from DfT in July, I am pleased to confirm the funding for your elements of the successful Merseyside LSTF Project for financial year 2012/13, effective from 27 June 2012.

Annex A attached, sets out the capital and revenue grant for your organisation. Please note as per DfT conditions, any unclaimed funds cannot be carried forward into subsequent financial years. Every effort should therefore be made to avoid any budget slippage, as we cannot guarantee that a project underspend in one year will be incorporated into higher allocations in subsequent years.

Conversely, where variances to spending budgets result in one year overspends; these should be notified to Merseytravel, acting on behalf of the ITA, at the earliest opportunity. Merseytravel cannot guarantee the availability of funds to cover any overspends, but will engage in discussions with DfT to secure additional funding where appropriate.

A formal Funding Agreement will be proposed to determine the conditions of funding based on payment of the grant being made in arrears. Merseytravel will co-ordinate the Merseyside LSTF claims by combining and reporting expenditure to DfT quarterly as follows:-

2012/13	Quarter 2 (Apr-June 12)	Quarter 2 (July-Sept 12)	Quarter 3 (Oct-Dec 12)	Quarter 4 (Jan-Mar 13)
Partner deadline	-----	5 October 12	7 January 13	8 April 13
Claim deadline	20 July 12	19 October 12	21 January 13	22 April 13
Payment date	31 August 12	30 November 12	1 March 13	31 May 13

Cont'd.....

**Merseyside Integrated Transport Authority and Passenger Transport Executive**

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Annex B contains confirmation of DfT's contribution to the Merseyside LSTF large project, for the period 2012/13 to 2014/16.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan', written in a cursive style.

Alan Stilwell  
**Director of Integrated Transport**

Encs

## Appendix A

### Large Project Local Sustainable Transport Fund (LSTF) Grant Award: Sefton Council

£K	Revenue	Capital	Maintenance Allowance	Total
2012/13	100,403	166,402	2,100	268,905
* 2013/14	169,845	239,845	3,800	413,490
* 2014/14	169,845	239,845	3,800	413,490
Total	440,093	646,092	9,700	1,095,885

\* Please note we are only able to confirm spend profiles for 2012/2013 at this time. Profiles for subsequent years are indicative at this stage and will be confirmed at a later date.

Department for  
**Transport**

Jim Barclay  
Acting Chief Executive  
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Web Site: [www.dft.gov.uk](http://www.dft.gov.uk)

4 July 2012

Dear Mr Barclay,

## Supporting Sustainable Access to Opportunity in Merseyside

Thank you for your above bid to the Local Sustainable Transport Fund large project bidding round, submitted in December 2011. This letter is to inform you that Ministers have decided to provide partial funding for your bid.

This project presents a real opportunity to overcome barriers to accessing work in a sustainable way. Ministers welcomed the strong partnership focus, with high levels of support from key private sector organisations. However, DfT funding has been removed for the St Helens electric buses (£1.28m). In addition, due to affordability reasons, the level of DfT funding has been scaled back to 70% of the overall project costs. The DfT contribution to this project has been reduced by £459.1k, which Ministers expect you to find in extra local contribution to ensure project delivery. If this is not possible and the project will need to be scaled back as a result, please consult with the LSTF team about which elements of the project will be deprioritised.

The Department would be happy to provide further feedback and advice if you require. Please contact the team at [lstf@dft.gsi.gov.uk](mailto:lstf@dft.gsi.gov.uk)

The Department's funding contribution to the project takes effect from 27 June, and will be paid as resource and capital grant as follows:

£k	Revenue	Capital	Total
2012/13	2974.5	2803	5777.5
2013/14	3783.5	3193	6976.5
2014/15	3524	3712	7236
<b>Total</b>	<b>10,282</b>	<b>9708</b>	<b>19,990</b>

We will write to you shortly with a formal offer of grant under Section 31 of the Local Government Act 2003. The letter will include the full terms under which the grant is to be provided and explain that there will be no opportunity to carry forward any unspent funds into subsequent financial years.

# Agenda Item 9

Thank you for taking the time to develop your bid to the Fund. My team and I look forward to working with you and we wish you every success in implementing the project and realising the benefits for your local communities.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Pauline', with a horizontal line underneath.

**Pauline Reeves**

# Agenda Item 9

Our Ref U003/9



Mr Peter Hillsdon  
Principal Transport Policy Officer  
Sefton Metropolitan Borough Council  
Technical Services  
Balliol House  
Balliol Road  
Bootle  
Merseyside  
L20 3NJ

**Head Office**  
Sustrans  
2 Cathedral Square  
College Green  
Bristol BS1 5DD  
T: 0117 926 8893  
F: 0117 929 4173  
Information: 0845 113 0065  
www.sustrans.org.uk

30 May 2012

Dear Peter

**ROUND 9 LINKS TO SCHOOLS PROGRAMME – 2012/13**  
**Reference: U003 Formby & Aintree**

Thank you for your application for funding under the Links to Communities programme. I am pleased to confirm that we have reserved a sum of £300,000 towards estimated total project costs of £555,000 for the project to link community facilities in Formby and Aintree, Sefton.

This grant is eligible towards capital costs incurred in the delivery of the agreed work and within the timescale as detailed in the Memorandum of Understanding (Schedule of Works)

Sustrans support a range of coordinated programmes to encourage and support cycling and walking. Your scheme has been selected because we recognise that it meets our criteria and we will therefore expect the scheme to be delivered in full in accordance with the Memorandum of Understanding.

I enclose two copies of the Memorandum of Understanding for Links to Communities and I would be grateful if you could countersign and return one copy. Please note that the full conditions related to the uptake of this grant are in Appendix A and payment is conditional on fulfilling the terms and conditions as set out in the Memorandum of Understanding (and Schedule of Works).

Registered Office, Sustrans, 2 Cathedral Square, College Green, Bristol BS1 5DD. T: 0117 926 8893

Belfast T: 02  
Cardiff T: 029 2065 0602 / Edinburgh T: 0131.539 8122  
Oxford / Peterborough / Rhuthun/Ruthin / Stockton on Tees

with offices in: Birmingham / Crewe / Derby / Leeds / London / Manchester

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# Agenda Item 9

The grant is payable in arrears, but we can release interim payments as work progresses. I enclose the Claim for Payment form and guidance notes for completing this form and claiming your first payment. Please contact me at [paul.hilton@sustrans.org.uk](mailto:paul.hilton@sustrans.org.uk), Tel. 0117 9150313 if you require any further information regarding the uptake of the fund.

Thank you for your continuing support for Sustrans and the Links to Communities Programme.

Yours sincerely



**Paul Hilton**  
**Senior Project Officer, Links to Communities**

Encs. 2 x Memorandum of Understanding (both to be signed, one to be returned)

- Links to Communities Technical Checklist
- Claim for Payment Form
- Claim for Payment Form Guidance Notes
- Press, PR and Marketing Protocol for Sustrans

Cc. Peter Foster - Sustrans, Regional Director  
Alice Rickwood - Sustrans, Project Manager

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**Report to:** Cabinet  
Council

**Date of Meeting:** 16 August 2012  
6 September 2012

**Subject:** Stepclever Legacy Fund Project

**Report of:** Director of Built Environment    **Wards Affected:** Derby/Linacre

**Is this a Key Decision?** Yes                      **Is it included in the Forward Plan?** Yes

**Exempt/Confidential**    No

## Purpose/Summary

To advise members of the award of the Stepclever Legacy grant for the Stepclever Legacy Fund project and to request that the project is included in the Council's Capital Programme.

## Recommendation(s)

That members:

- (1) Note the award of Stepclever Legacy grant to Sefton for delivery of the Stepclever Legacy Fund project.
- (2) Include the Stepclever Legacy Fund project within the Council's Capital Programme for 2012/13 and 2013/14 (subject to the receipt of a written offer of grant) at a cost of £1,847,749 to be fully funded from the Stepclever Legacy Grant. (Note that £563,020 of this sum is residual funding from the Stepclever Property Project and is already included in the current Regeneration Capital Programme.)

## How does the decision contribute to the Council's Corporate Objectives?

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

# Agenda Item 10

## Reasons for the Recommendation:

To approve arrangements for the implementation of the Stepclever Legacy Fund project

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

### (A) Revenue Costs

N/a.

### (B) Capital Costs

The total forecast capital cost is £1,847,749 as set out in the table in paragraph 9 below. The project is to be entirely funded by Stepclever Legacy grant. There are no financial implications for the revenue budget of the Council.

## Implications:

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

<b>Legal</b>	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	
The equality impact and mitigation measures are as described in the Enterprise Gateway delivery plan (p10 'Targeted engagement activity') and will be updated and carried forward to the new project accordingly.	

## Impact on Service Delivery:

Not applicable

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

The Head of Corporate Finance & ICT Strategy (FD1671) has been consulted and any comments have been incorporated into the report.

The Head of Corporate Legal Services (LD1014/12) has been consulted and any comments have been incorporated into the report.

## **Are there any other options available for consideration?**

Not to support the receipt of LEGI would be to forego access to new and additional resources at a time of considerable spending restraint and reduction in other public funded business support programmes.

## **Implementation Date for the Decision**

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

**Contact Officer:** Mike Mullin  
**Tel:** 0151 934 3442  
**Email:** mike.mullin@sefton.gov.uk

## **Background Papers:**

The following papers are available for inspection by contacting the above officer:

Cabinet Member Regeneration & Housing-Stepclever Legacy project briefing report (22 February 2012)  
Stepclever Legacy Fund proposal (January 2012)  
CMR report Stepclever update (16 March 2011)  
Enterprise Gateway delivery plan (2010-2012)  
Cabinet (16<sup>th</sup> April 2009), “Stepclever Property project”

# Agenda Item 10

## Introduction

- 1 Members will be aware of Economy & Tourism's (E&T) efforts to secure new external funding to support service delivery. E&T was alerted to a potential new funding opportunity arising from the Stepclever Local Enterprise Growth Initiative (LEGI), which ended on 31<sup>st</sup> March 2012. The grant offer will provide up to £1,847,749 of Stepclever Legacy monies to administer a business grants programme for the period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2014. The offer also includes residual Stepclever Property Support grant of £563,020. This sum is already included in the Regeneration Capital Programme (approved by Cabinet on 15<sup>th</sup> April 2009).
- 2 The grant will fully fund four posts for two years that were under threat of redundancy. A ring fenced re-deployment programme was used to retain and re-designate the four posts to deliver the new project subject to confirmation of funding. The team will sit under the recently revised Invest Sefton business and enterprise support service.
- 3 The council's Invest Sefton team, under the E&T service, has designed and delivered the Stepclever business grants programme since its inception in June 2007. This has been managed in partnership with Liverpool Vision under the project title of Enterprise Gateway with the aim of stimulating entrepreneurship, new business start-ups, business growth and employment in south Sefton (Derby/Linacre wards) and north Liverpool (County/Anfield/Kirkdale/Everton wards).
- 4 At its board meeting of 28<sup>th</sup> November 2011 the Stepclever board gave 'in principle' approval to continue a revised business grants programme using unallocated capital monies. Invest Sefton was asked to deliver a new business grants programme for post April 2012. Liverpool City Council Cabinet approved the funding on 30 March 2012. A formal offer letter will be issued to Sefton shortly.

## Proposed legacy project

- 5 The proposal includes the delivery of a grant project for both new and existing businesses that will generate new business start up, business growth and associated job opportunities in the Stepclever area building on the achievements of the existing programme. The new project includes:
  - A capital grants programme for new and existing businesses in the Stepclever wards.
  - Two Dedicated Business Specialists working alongside new existing growth sector specialists/Managers in Invest Sefton and Liverpool Vision.
  - One Senior Financial & appraisal officer and One monitoring and administrative officer to support compliance and delivery.
  - A private sector led steering group including Stepclever business representatives to oversee grant applications.
  - Access to existing specialist growth sector support through Invest Sefton and Liverpool Vision; e.g. Low Carbon/SuperPort/Knowledge Economy/Construction/Digital & Creative

# Agenda Item 10

- Access to dedicated employment brokerage support from [Sefton@Work](#)
  - The potential to develop and expand the fund through Regional Growth Fund and ERDF bids.
- 6 A revised investment fund will be made available to both new business start-ups and growing businesses in the Stepclever wards. The fund is based on the existing tiered grant programme administered and delivered by the Enterprise Gateway project. While the fund will not rule out specific business activities, particularly if it generates new job creation, there is now the opportunity to align it with key Liverpool City Region (LCR) industry growth sectors, several of which are prevalent in the Stepclever area; e.g.. Port/Maritime related/Low Carbon/ Environmental Technologies/Knowledge Economy/Manufacturing.
- 7 The Investment fund will offer a tiered level of financial support accessed through the dedicated Business team. The table below shows the proposed level of funding (grant levels are subject to change):

<b>Grant type</b>	<b>Amount £</b>	<b>Eligibility</b>
Tier 1	Up to £750 *	Individuals seeking to start their own business
Tier 2	Min £2,000 up to max £7,500 *	Businesses up to 18 months old seeking to grow and create new jobs
Tier 3	Min £5,000 up to max £25,000 *	Existing businesses located or seeking to locate in the Stepclever area and create new jobs and demonstrate a plan for growth in turnover and profit

- Grants will be managed under State Aid/De Minimis rules with a maximum intervention rate of 100% for Tier 1 and Tier 2 Grants and a maximum of 45% for Tier 3 grants.
- 8 A cornerstone of the success of the existing funding programme has been the private sector led Investment Steering Group (ISG). This model had been established in 1995 in Sefton as a result of private sector nominated representatives from successive Single Regeneration Boards. A similar model has been in operation for the duration of the Stepclever programme and consisted of two Board members and business representatives from North Liverpool and South Sefton. They bring with them a wealth of expertise and experience while at the same time providing both a challenging and transparent process for the project team. A recent 'rule of thumb' exercise revealed that the free, voluntary support provided by private sector members runs at an average cost of £49k per member pa in terms of participation, meetings attended and on going advice and support. It is proposed that a similar model will be used for the Stepclever Legacy fund.

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## Financial Implications

- 9 The Head of Corporate Finance & ICT Strategy comments that there are no financial implications for the Council and the total forecast capital expenditure of £1,847,749 as set out in the table below is fully funded from Stepclever Legacy capital grant.

<b>Expenditure</b>	<b>Budget 2012-14 (£)</b>
Grants to business	968,761
Property project c/f	563,020
Staffing (inc on costs)	290,968
Running costs	25,000
<b>Total</b>	<b>1,847,749</b>

## Outcomes

- 10 The project has been tasked with a number of key performance indicators including :

<b>Output</b>	<b>Total</b>
No of new business start ups	82
No of business assisted	38
No of new jobs created	137
No of jobs safeguarded	22

- 11 The output forecasts reflect the current state of the economy, a much-reduced programme and that the available monies are Capital only. The previous programme incorporated both Revenue and Capital grants. However it is worth noting the success of the previous Stepclever Enterprise Gateway project, which ran from June 2007 to March 2012, and yielded some excellent outcomes for the area:

<b>OUTPUT</b>	<b>TOTAL</b>
No of Individual Beneficiaries	1,504
No of New Business Start Ups	601
No of Residents into Self Employment	359
No of Women into Self Employment	133
No of Businesses Assisted	1,204
No of New Jobs Created	1,465
No of Jobs Safeguarded	100
No of VAT Registrations	34
No of Grants Awarded	589

- 12 The new programme is due to start in September 2012 and regular performance updates will be report to Cabinet Member for Regeneration and Tourism.

---

**Report to:** Cabinet  
Council

**Date of Report:** 16 August 2012  
6 September 2012

**Subject:** River Mersey Channel Dredging Project

**Report of:** Director of Built Environment **Wards Affected:** Linacre and Derby

**Is this a Key Decision?** Yes **Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

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## **Purpose/Summary**

To review progress with the project for dredging the River Mersey; to seek delegated authority for grant to be accepted; and subject to receipt of grant, for the project to be entered into the Council's Capital Programme.

## **Recommendation(s)**

Cabinet:

- (1) To note progress with the grant offer letter from Dept of Business Innovation & Science for £35 million of Regional Growth Fund (RGF) towards the cost of the Mersey channel dredge project.
- (2) To recommend the Council to include the channel dredge project within the Council's approved Capital Programme, subject to the receipt of grant
- (3) To note progress with the negotiation of a Co-operation Agreement between Mersey Docks and Harbour Company (MDHC) and Sefton Council in respect of the Mersey channel dredge project and the extent of the proposed indemnity
- (4) To note the financial, legal and construction risks associated with the project, and in the event of a grant award to transfer the risks and corresponding mitigation plans to the Corporate & Community Risk Register
- (5) To note that should the grant be awarded that the Council will commence procurement for the dredge work immediately
- (6) To receive a further report on progress with the project

**Council:**

- (1) To note the Cabinet report
- (2) To include the channel dredge project within the Council's approved Capital Programme, subject to the receipt of grant

# Agenda Item 11

## How does the decision contribute to the Council's Corporate Objectives?

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

### Reasons for the Recommendation:

To advise members of progress, and itemise potential risks and their mitigation.

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

#### (A) Revenue Costs

Officer time assigned to the negotiation of contracts is already accounted for in the approved revenue budget.

The Council is not a direct financial beneficiary of any monies secured, which will flow through to the private sector as stipulated in the legal agreement. However, under the terms of the proposed legal agreement, the Council is indemnified for all costs, liabilities and charges arising from its accountable body role in the delivery of the River Dredging project.

#### (B) Capital Costs

The project will be entered in the Council's Capital Programme, subject to receipt of funding and all conditions met as stipulated in the RGF offer letter.

### Implications:

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

<b>Legal</b>
<b>Human Resources</b>



## Equality

- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | No Equality Implication                          | <input type="checkbox"/>            |
| 2. | Equality Implications identified and mitigated   | <input checked="" type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/>            |

The equality impact and mitigation measures are as described in the full RGF application, and will be further developed when the offer letter is accepted.

## Impact on Service Delivery:

Apart from the creation of the post of Dredge Project Co-ordinator and the assumption of accountable body status, there are no implications in this report for other Council services.

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

The Head of Corporate Finance (FD1707) and Head of Corporate Legal Services (LD 1030/12) have been consulted and any comments have been incorporated into the report.

## Are there any other options available for consideration?

Not to accept the RGF would be to forego access to additional resources at a time of considerable spending restraint.

## Implementation Date for the Decision

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

**Contact Officer:** Mark Long  
**Tel:** 0151 934 3471  
**Email:** mark.long@sefton.gov.uk

## Background Papers:

# Agenda Item 11

## Introduction

1. It was reported to members on 19<sup>th</sup> January 2012 that the Council was assisting Mersey Docks & Harbour Company (MDHC) with the development of a bid for Regional Growth Fund (RGF) to dredge the Mersey estuary channel.
2. This is to ensure the next generation of post-Panamax vessels can access the Port of Liverpool, and to improve river access for all users by lengthening the tidal window.
3. Members resolved (referring in the resolution to Peel Ports, the parent company of MDHC):

“1. That the conditional offer of £35 million from the Dept of Business Innovation & Science (BIS) to Peel Ports for River Dredging and construction of a River Berth at Seaforth, is noted.

2. That the Council accepts the role of accountable body for the RGF project, subject to negotiation of a satisfactory legal agreement with Peel, completion of due diligence, and an unconditional grant offer letter from BIS.

3. That officers proceed to negotiate a legal agreement with Peel in respect of the RGF project, and report progress to members at a subsequent meeting.

4. That members approve in principle the commissioning of a Port Hinterland study to provide a spatial masterplan and investment programme, so that the benefits of investment in Port Expansion can be maximised for local communities.”

## Outline of project

4. Members will recall that MDHC is requesting £35 million of grant to support a £40 million investment in dredging the Mersey estuary approaches. This deeper channel will increase the tidal window for all river users of the estuary, and allow next generation deep-sea container vessels to access the docks.
5. The capital dredge will create benefits for all users of the Mersey and is therefore a “public good”. In these particular circumstances of their being a general public good it is appropriate that a public authority should act as accountable body for the RGF funding to procure the dredge. Sefton assumed this role as lead maritime authority for the Liverpool City Region.
6. As a result of the dredge, commercial operators located along the Mersey will take advantage of the deeper channel and longer tidal window.
7. The most advanced investment projects enabled by the dredge comprise
  - A new River Container Terminal for Peel Ports at Seaforth to receive post-Panamax vessels, planned to be operational from 2014
  - Port-centric distribution facilities adjacent the Port estate, These will be developed on-demand over the next 3-10 years

8. The Mersey Port Master Plan forecasts that by 2021 the Seaforth River Terminal will lead to a further 4,270 jobs and net additional GVA of £1,128 million.

## Progress with RGF funding

9. Since the January 2012 report to Cabinet, officers have continued to negotiate with BIS regarding the criteria and conditions associated with the RGF grant
10. The principle condition to be met by the applicant (MDHC) is that the UK assistance is State Aid compliant i.e. that granting aid will not distort market forces. Initial legal advice obtained by the MDHC was clearly of the view that the activities would not be classed as State Aid. A recent European case means that this legal view needs to be revisited.
11. The Council's next steps will be dictated by the outcome of the State Aid enquiries being made by BIS and MDHC. This is the best way to maximise the Council's positive influence on the development as a whole, and makes for the most efficient use of natural and financial resources.

## Next steps

12. Should the grant be awarded and be classified as non-State Aid, the next steps are to:
  - Approve the Co-operation Agreement
  - Complete "due diligence"
  - Satisfy BIS we are ready to proceed
  - Accept the RGF "unconditional" offer letter
  - Enter the project in the Capital Programme
  - Commence procurement for the dredge works
13. Because of the construction scheduling issue referred to in para 14 above, it is important that the Council's decision-making processes do not inadvertently delay procurement of the project contractor in the event of the Commission reporting favourably in late summer/early autumn. The main risk for the Council in this project which cannot be indemnified in the Co-operation Agreement, is the risk arising from delays. Such risks could emanate from delays in actions taken by officers or in the Council's internal decision-making. Quite understandably, this risk is excluded from the overall indemnification offered by MDHC.
14. The next available Council meeting to accept the project into the Capital Programme is 6<sup>th</sup> September, and then there is no meeting until 22<sup>nd</sup> November. Therefore members are requested to delegate acceptance of the RGF offer letter and agreement to the Co-operation Agreement to the Cabinet Member – Regeneration and Tourism; and to request Council in September to receive the project into the Capital Programme, subject to receipt of grant.
15. This method of decision-making protects the Council's interest in the project while expediting business. It also demonstrates the Council's continued commitment to facilitate where possible this economic investment into the region. Taking this step allows for a flexible response in the event of further information received from the Commission or BIS that does not require a report to Cabinet.

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## Licensing and supervision of the capital dredge contract

16. The MDHC was granted a Harbour Revision Order in 2007 to dredge the channel, and will apply (either in its own name or jointly with the Council) to the Marine Management Organisation for a licence immediately prior to construction work beginning. Sefton Council is also a statutory consultee for the issuing of a licence, and members will have a further opportunity to consider the proposal at that stage.
17. As accountable body, the Council is directly responsible for the procurement of the dredging contract, which will be tendered under EU rules. Under the Co-operation Agreement, the Council will appoint MDHC as its managing agent to supervise the dredge. This arrangement makes the best use of both organisations' skills and best ensures accountability.

## Key terms of the agreement

18. Before issuing an unconditional offer letter for the RGF funding, BIS require an agreement between MDHC and Sefton Council confirming their respective roles, responsibilities and obligations, both to each other and collectively. Officers have been closely engaged with MDHC in preparing this key document.
19. The key terms of the Agreement are:

### Role, responsibility and obligations of Sefton Council

Recipient and accountable body for Regional Growth Fund

Appointment of a Sefton Project Co-ordinator to act on the Council's behalf

Undertake the procurement of the capital dredge

Obligation to notify MDHC of any issue having an adverse impact on the project or funding

### Role, responsibility and obligations of MDHC

Assist the Council with the discharge of its obligations to BIS

Appoint a Programme Director/Project Manager

Assist with the procurement and delivery of the capital dredge

Agree to contribute £5 million towards maximum total cost of capital dredge of £40 million, even if the total cost is less than £40 million (subject to detailed cash flow profile agreed with Sefton MBC)

MDHC is responsible for excess costs above the £40 million agreed

Obligation to notify Sefton MBC of any issue having an adverse impact on the project or funding

MDHC is responsible for costs incurred by Sefton MBC in its role as accountable body as set out in a schedule

## Joint responsibilities

To work together with all reasonable endeavours

To separately contribute to the due diligence process as BIS/CLG may require

To collaborate closely with each other in connection with the procurement process

To govern the project via (i) a Project Board of the Managing Director of MDHC and the Chief Executive of Sefton MBC, and (ii) a Steering Group of personnel from MDHC and Sefton MBC, that reports to the Project Board.

To collaborate closely on the maximisation of employment opportunities, local supply and community engagement through an agreed process

## Warranty and Indemnity

MDHC will indemnify Sefton for any losses or liabilities arising from failure to complete the project in accordance with the RGF offer letter, or to achieve job targets, or funding clawback by BIS, or the dredging contractor, except insofar as they arise from failure of Sefton in relation to matters within its control or to act without the approval of MDHC where that is required under the provisions of the Offer Letter.

## Confidentiality

No disclosure without agreement, except insofar as Sefton is bound by applicable law (Freedom of Information) or regulations.

Agree to a publicity protocol, jointly with BIS

## **Key risks and mitigation**

20. A careful analysis of risks associated with the project has been undertaken. The risks for the Council and their mitigation will be transferred into the Corporate and Community Risk Register, and closely monitored and managed by the risk owner, Director of Built Environment.

## **Powers under which the Council is acting**

21. The Council relies on Section 1 of the Localism Act 2011 in making these arrangements with MDHC.

# Agenda Item 11

## **Employment benefits**

22. Under the terms of the RGF offer letter, Sefton is committed to creating 408 direct jobs (full-time equivalents) within 7 years of project completion. The Council and MDHC have reviewed the methodology used to calculate the jobs gain from the project and have agreed a procedure with BIS. This agreement will form the basis for monitoring of job outputs during each claim period.
23. It will also provide the basis for BIS to measure contract performance, as underperformance in terms of the jobs target may trigger clawback of grant (for which the Council has received an indemnification from MDHC – see above).
24. The Council and MDHC are committed to working together to develop a long-term employment partnership for the benefit of Sefton, and will invite other river users to join any collaborative recruitment and training arrangements that are established under this project but are of wider utility.

## **Wide Area Studies**

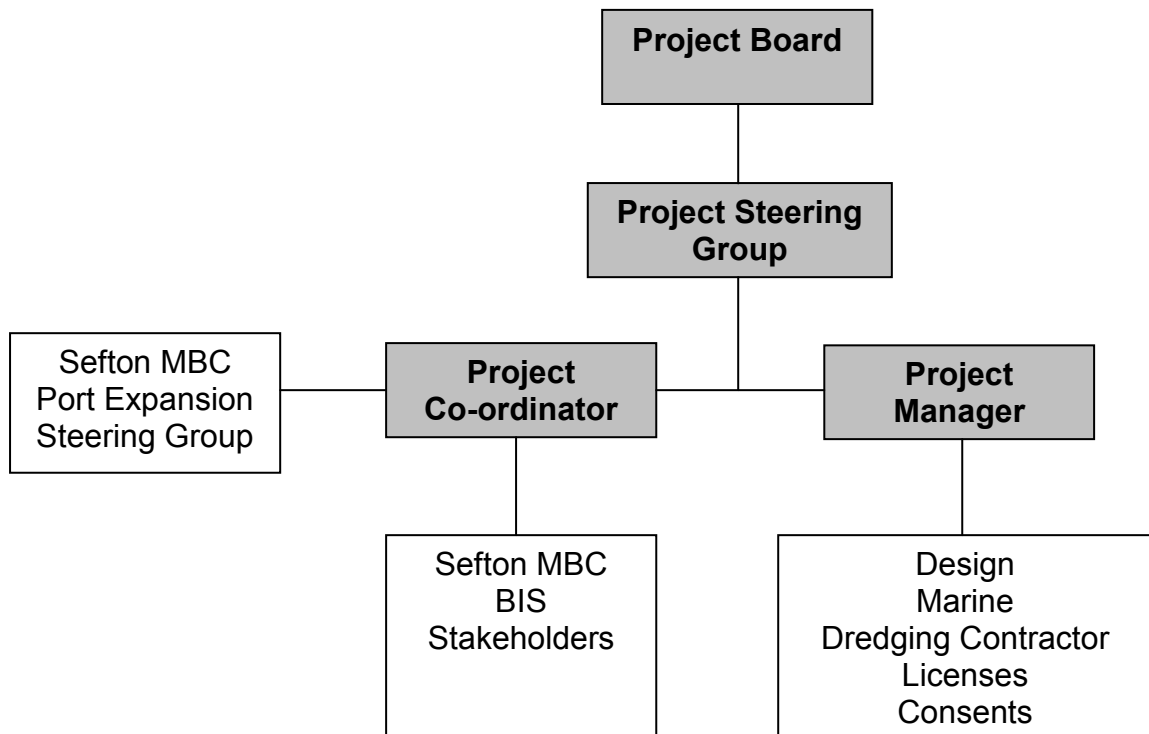
25. Under the Co-operation Agreement, MDHC promises a financial contribution towards the commissioning of a series of Wide Area Studies. These studies – in conjunction with funding from Homes & Communities Agency and the Council – will lead to a master plan and investment programme to capture and maximise the value of the Port's investment at Seaforth. They will also help update the land supply and demand estimates contained in the Core Strategy (now Local Plan).
26. The scope of these studies, plans and programme includes:
  - The creation of receptor sites for businesses displaced by port expansion
  - Site acquisition, assembly and development of the L5 zone for port-related uses
  - Attracting inward investment and supporting the maritime cluster
  - Employment, training and supply opportunities arising from port expansion, captured for the benefit of local people
  - Improvement and redevelopment of residential and community assets in the Seaforth area and the immediate port hinterland
  - Investment in Green Infrastructure (implementing the GreenPrint vision)
  - Harnessing opportunities for renewable energy and energy efficiency
  - Opportunities for environmental mitigation and to relieve neighbourhoods of unnecessary congestion and emissions associated with the A5036 corridor.
27. In addition MDHC and the Council will investigate innovative finance and delivery options, as flagged up in the City Region's City Deal "asks" of government.

## **Accountable Body role**

28. MDHC has agreed to reimburse the Council (under its general indemnity) for any and all costs incurred by the Council in performing the accountable body function.
29. The schedule of costs is embedded in the agreement between MDHC and the Council, which includes provision for exercise of accountable body functions for up to an additional three years following project completion.

## Future management of the agreement and RGF project

30. The management arrangements for the dredge project are detailed in the agreement between MDHC and the Council.
- Project leadership is through a Project Board of the Managing Director, MDHC and the Chief Executive Officer, Sefton Council
  - A joint Council/MDHC officer steering group provides oversight of the project and receives issues escalated by project management
  - Operational support is provided by the Project Co-ordinator (a Sefton employee), and a Project Manager (an MDHC employee).
31. To co-ordinate the Council's input to the project, a cross-departmental Port Expansion Steering Group for Council officers, chaired by the Director of Built Environment, has been meeting for several months. The group will continue with the participation of the Project Co-ordinator and Project Manager, to assist with a consistent policy and practice towards port-related activity across the authority.



32. The Project Co-ordinator's job is to ensure the Accountable Body role is delivered, either through their own work or by co-ordinating the work of others. They will co-ordinate procurement of the dredge contractor, engage closely with the project delivery team, supervise monitoring and claims, and account to members and the funder for the use of RGF. Further detail is supplied in Annex 1 – below.
33. The Project Manager's role is to secure all necessary consents and permissions, manage the dredge contractor, ensure targets and deadlines are met, and minimise any risks associated with the completion of the dredge project.
34. MDHC has appointed a person to the post of Project Manager. The Council is requested to establish the post of Project Co-ordinator within Built Environment

# Agenda Item 11

and to fill the post to ensure an early start – in particular, the procurement of the dredge contractor.

## **Reporting mechanism to members**

35. Cabinet approved “in principle” participation in the dredging project in January 2012.
36. Since then, the Leader of the Council and Cabinet Member – Regeneration have received progress reports and briefings.
37. This report establishes a management and accountability framework for the dredge project. The Director of Built Environment is the named lead officer, reporting to Cabinet as a whole.
38. A Joint Overview & Scrutiny Working Party has been meeting to review the Mersey Port Master Plan. Its report is due in the summer. Officers have kept the Joint Working Party fully informed of the channel dredge project.
39. Ongoing accountability of the project to members will be via regular reporting to Cabinet and Cabinet Member – Regeneration & Tourism, with such additional briefings or site visits as are requested.



## **Annex 1 – Proposed roles and responsibilities of Sefton Council as accountable body for the channel dredge project**

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### **Project Co-ordination**

- Liaison with BIS DGLC - act as a single point of contact between Sefton and BIS DCLG
- Liaison with MDHC
- Project interface for other port users
- Represent the Authority on various internal working groups and external bodies

### **RGF Grant Management & Administration**

#### **Development and implementation of systems**

- Develop, manage and maintain project management systems and procedures for the RGF project, including sound record keeping as required by Council's Internal Audit procedures and BIS/DCLG requirements.

#### **Claim preparation, verification and validation**

- Co-ordinate the preparation and submission of appropriate interim/final claims and monitoring returns in order to secure funds and ensure performance targets are met.
- Completing and submitting grant claims, monitoring and evaluation of claims and risk assessments.
- Ensure all Council Standing Orders and Financial Procedure Rules are upheld

#### **Indirect outputs verification and validation**

- Commissioning, procurement, payments, risk assessment, monitoring, co-ordination, returns, reports, and evaluation.

#### **Audit preparation and facilitation**

- Co-ordinating and managing the monitoring of the project for the purpose of audit and evaluation and to ensure compliance with the Council's and other funding Agencies' procedures.
- Co-ordinate internal and external verification and audit visits. This will include preparing files for audit and helping to ensure that auditing queries are dealt with appropriately.

#### **Impact assessment procurement**

- Commissioning, procurement, payments, risk assessment, monitoring, co-ordination, returns, reports, and evaluation.

### **Reporting**

- Produce documents, Steering Group and Committee reports, liaising as required with Councillors and Officers of the Authority
- Presenting reports to Committees and other Partners

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## **Internal Co-ordination**

- Internal liaison with and co-ordination of colleagues from various departments with a stake in the RGF project ensuring a co-ordinated approach is adopted giving greatest benefit and return on investment:
  - Economy & Tourism
  - Sefton@Work
  - Finance
  - Legal
  - Corporate Procurement Unit
  - Investment Programmes and Infrastructure

## **Expert Advice**

- Commissioning, procurement, payments, risk assessment, monitoring, co-ordination, returns, reports, and evaluation.

## **Procurement**

### **Dredge**

- Co-ordinate the preparation of a project brief
- OJEU Preparation inc stages
- Appraisal & Evaluation of Tenders
- Council Reporting Procedures
- Legals and Contractualisation

### **Liverpool 2**

- Social Value element to MDHC procurement process

## **Dredging Contract**

- Client side contract management
- Liaison with MDHC re monitoring and progress
- Invoice/payment verification and validation
- Environmental impact assessment and monitoring

# Agenda Item 12

**Report to:** Cabinet Council  
**Date of Meeting:** 16<sup>th</sup> August 2012 5<sup>th</sup> September 2012

**Subject:** Vehicle Replacements – Refuse Collection Fleet and Specialist Transport Vehicles

**Report of:** Director of Street Scene **Wards Affected:** N/A

**Is this a Key Decision?** Yes **Is it included in the Forward Plan?** Yes

**Exempt/Confidential:** No

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## **Purpose/Summary**

To inform Members of the results of two recent tendering exercises and seek Member approval to place orders for the purchase of the new refuse collection vehicles for the Cleansing Section and ten new coach built welfare vehicles for the Specialist Transport Section, using a Prudential Borrowing facility arranged by the Finance Department.

## **Recommendation(s)**

### **That Cabinet;**

- 1) Accepts the tenders that best comply with the specification and score highest in terms of evaluation criteria.
- 2) Approves the ordering of the vehicles listed in Annex 1.
- 3) Recommends to Council to approve the sum of £4,384,175 to be included in the capital programme and financed by a Prudential Borrowing facility.
- 4) Agrees to fund the costs of the new Cleansing fleet vehicles over the next 5 years by use of the Earmarked Reserve held for recycling, thereby alleviating the need to request additional Council resources.
- 5) Agrees to fund the costs of the new Special Transport Unit (STU) vehicle fleet over the next 5 years from within the existing revenue budget.

### **That Council;**

- 1) Approves the sum of £4,384,175 to be included in the Capital Programme and financed by a Prudential Borrowing facility.

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## How does the decision contribute to the Council's Corporate Objectives?

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

### Reasons for the Recommendation:

The current refuse collection fleet is approaching lease expiry and will shortly be five years old. It has been established that there is no financial benefit to the Council in extending the current lease arrangements. The STU vehicle fleet includes ten vehicles which are now approaching ten years of age. These vehicles have no value whatsoever as they have been subject to a number of lease extensions. They are now becoming wholly un-economic to run. Whilst a review of the adult component of specialist transport function is currently being undertaken, a responsibility still currently exists to transport children with disabilities to and from both school and respite care, as necessary. It is proposed to replace the aging ten vehicles with new vehicles which meet all of the new regulations and legislative requirements of transporting vulnerable passengers.

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

#### (A) Revenue Costs:

The new Cleansing Fleet and Specialist Transport vehicles would be funded from Prudential Borrowing, which would be repaid over the life of the vehicles (in this case 5 years). The running costs of both the Refuse Collection fleet (Annex 3) and the Specialist Transport vehicles (Annex 4) have been forecast over this period.

It is proposed to fund the additional costs of replacing the cleansing fleet in years 2–5 (£416,346) from the partial use of an earmarked Cleansing Reserve, with the forecast year 1 saving (£55,938) being added to this reserve thereby reducing the net call on the reserve to £360,408, whilst keeping the same level of revenue budget throughout the 5 year period. This would alleviate the need for budget growth.

The replacement of the STU vehicle fleet will generate savings in each of the next 5 years when compared to the existing revenue budget. The forecast savings in year 1 (£76,934) will be broadly maintained in years 2-5 giving an overall saving of £344,742 over this period.

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

The costs of Prudential Borrowing for the replacement of the Cleansing fleet and the STU vehicles will be £4,572,724 (including interest repayments) and will be met from revenue funding over the 5 year period.

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

### **Legal:**

In accordance with the Budget and Policy Framework Procedure Rules, a request to amend the existing budget must be referred to the full Council for decision (paragraph 3a refers)

Under s.29 National Assistance Act 1948 and LAC (93) 10 local authorities have the power to provide free or subsidised transport but they do not have a duty to do so unless a service user has Fair Access to Care Services eligible transport needs identified through a community care assessment.

Likewise, under s.2 Chronically Sick and Disabled Persons Act 1970 a local authority has a discretion to provide assistance with transport.

Local authorities also have responsibilities under s509 Education Act 1996 and the Special Educational Needs Code of Practice, 2001

### **Human Resources**

#### **Equality**

1. No Equality Implication
2. ~~Equality Implications identified and mitigated~~
3. ~~Equality Implication identified and risk remains~~

### **Impact on Service Delivery:**

Procurement of a replacement vehicle fleet will allow the service to continue to be delivered in as efficient and effective a manner as possible.

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

The Head of Corporate Finance & ICT Strategy (FD1648/12) and Head of Corporate Legal Services (LD1007/12) have been consulted and any comments have been incorporated into the report.

### **Are there any other options available for consideration?**

The option to enter into secondary lease periods was considered. However, the current fleet of vehicles would cost substantially more to maintain over coming years, and will also become less reliable and susceptible to breakdown. There

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would therefore be substantially more costs incurred through both maintenance and vehicle hire costs.

## **Implementation Date for the Decision**

Following the decision by Council on the 5<sup>th</sup> September 2012.

**Contact Officer:** Andrew Walker  
**Tel:** 0151 288 6159  
**Email:** andrew.walker@sefton.gov.uk

## **Background Papers:**

The following papers are available for inspection by contacting the above officer(s);

Vehicle Tenders January 2012

Vehicle Tenders April 2012

Stage One and Stage Two Tender Evaluation Scoring Spreadsheets

## **Introduction/Background**

### **Refuse Collection Fleet**

1. The current refuse collection fleet is now approaching lease expiry with the 27 leased vehicles reaching their expiry dates between November 2012 and October 2013. The vehicles are used by the Cleansing Section of Direct Services and are based at the Council's 2 operating centres at Hawthorne Road Depot Bootle and Forest Road Depot Southport.
2. The vehicles are also included on the Goods Vehicle Operators Licence issued to the Council and are subject to a rigorous inspection and maintenance regime to ensure compliance with the undertakings of the licence.
3. The current refuse collection fleet comprises a total of 28 vehicles. There are 23 x Mercedes Econic chassis/cabs on a 6 x 4 configuration with a gross vehicle weight of 26000kg fitted with Ros Roca compaction bodies and Zoeller automatic bin-lifts. In addition, there are 5 x Mercedes Atego chassis/cabs on a 4 x 2 configuration with a gross vehicle weight of 15000kg also fitted with Ros Roca compaction bodies and the same bin-lifts. One of the Econic vehicles was purchased not leased, and is owned outright by the Council.
4. The current refuse collection fleet were assigned to 5-year operating lease. The Council has now decided to discontinue using operating leases, preferring to use prudential borrowing to procure such vehicles. This means the asset is owned by the Council and therefore is not subject to any return conditions and/or associated charges at the end of an operating lease term.

### **STU Welfare Vehicles**

5. At least 10 vehicles within the current Specialist Transport fleet are approaching lease expiry within the next 3 months. These vehicles range between 8 and 10 years old and have been subject to lease extensions on a number of occasions. The vehicles are utilised by the Specialist Transport Unit to transport both children and adults and are based at the Council's two operating centres at Hawthorne Road Depot, Bootle, and Forest Road Depot, Southport.
6. Due to the nature of the operation the vehicles are issued with small bus permits by the Traffic Commissioner and are therefore subject to a rigorous inspection and maintenance regime to ensure compliance with the undertakings of the licences.
7. The current STU fleet is currently comprised of 23 coach-built vehicles, of which 11 are '15 seaters', 10 vehicles are '24 seaters' and the remaining 2 are 17 seat minibuses. All of the current vehicles are leased and do not belong to the Council. The Council has now decided to discontinue using such operating leases, preferring to use prudential borrowing to procure any such vehicles. In effect, this means that the asset in question, namely the vehicle(s) is/are owned by the Council, and therefore is not subject to any return conditions and/or associated charges at the end of an operating lease

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term. This also means that any residual value of the vehicle at the end of the repayment period belongs to the Council.

8. The current budgetary provision within the Specialist Transport Unit for vehicle repair and maintenance, and for vehicle leasing (capital costs), is a combined £497,900 per year.
9. In September 2011 a new framework agreement for the hire of external buses and taxi's was implemented. This was coupled with the introduction of a new software package which has the capability to allocate clients to particular routes, and using specific vehicles, based on both similarity of customer need, as well as the route to be taken in order to transport a set number of people to and from particular locations via the shortest route possible.
10. It was envisaged that the 'Route Optimisation' function would, by the very nature of the task in hand, take a number of months to work through. However, utilising in-house knowledge and experience, and amending the work rotas of Drivers and Passenger Assistants, coupled with the introduction of a bespoke 'Planning Unit', the Specialist Transport Unit was able to re-allocate resources amongst the existing vehicle fleet and make a large number of routes far more efficient.
11. In turn, this resulted in an opportunity to reduce the then existing in-house fleet by some nine vehicles. This also created a financial saving which brought the operational transport budgets back to an underspend position.
12. The annual operating costs of the 10 'older' vehicles within the fleet, and which are proposed for replacement, are shown in Annex 2. It can be seen that the annual maintenance costs alone for these particular vehicles is nearly £50k. There is a great concern that these vehicles will cost substantially more to maintain in the coming year if not replaced. This will substantially reduce the savings made so far.
13. In addition, the vehicles will become increasingly unreliable, resulting in more expenditure in either hiring vehicles in to cover downtime due to unscheduled maintenance, or outsourcing particular routes on a short term basis whilst repairs are undertaken.
14. It is recognised that a review into the provision of Adult Transport is currently being undertaken, and that this may result in changes to the requirement or provision of transport. However, at this stage there is still a recognised requirement to transport children to and from school and respite care.
15. In budgetary terms, and as shown in Annex 4, the decision to replace the ten aging vehicles would result in a saving of £76k in 2013/14. The Council would also immediately have the benefit of an asset in terms of the resale value of the vehicles, should a decision be taken at a future date to change the way transport is provided to vulnerable groups in Sefton.

## **Options for vehicle Replacement**

16. A number of options have been considered before arriving at the decision to replace the existing Refuse Collection fleet and part of the Specialist



Transport Fleet including:

- (i) Extending existing lease arrangements.
  - (ii) Refurbishment of existing fleet vehicles.
  - (iii) Fleet replacement using Prudential Borrowing facility.
  - (iv) Fleet replacement by external contract Hire.
17. Each of the options has previously been examined in detail, following a Best Value Review of the Transport activity. Of the options listed above only (iii) in house prudential borrowing and (iv) external contract hire are still considered to be suitable to maintain acceptable levels of service provision. Owing to the nature of the work undertaken by the Refuse Collection vehicles, namely domestic and garden waste collection, they are in continuous use and as such generate a high maintenance demand. Also, the nature of the work undertaken by the Specialist Transport vehicles, namely the transportation of vulnerable clients, means that the vehicles have to comply with PCV legislation, and as such generate a high maintenance demand. The service delivery problems experienced by both the Refuse Collection and Specialist Transport Unit when their vehicles are off the road for maintenance, both planned and unplanned, are such that continuing to operate an aging fleet is not considered a sustainable option.
18. External contract hire was reviewed when the last refuse fleet was procured in 2007 with a comparison carried out with in house operating leasing. The review carried out by external consultants revealed that based on cost comparisons the contract hire option was not competitive. It was found to be considerably more expensive (~ £250,000) over the life of the fleet and therefore offered no financial benefit to the Council. As part of the current procurement exercise, contract hire was again considered and explored, and it was established the costs are still more expensive than the procurement route, and as such offer no financial benefit to the Council.
19. Following meetings with colleagues from the Council's procurement section it was decided to utilise the Procurement Partnership Collaborative framework agreement to ensure compliance with all European Procurement Procedures and access to all the specialist vehicle industry manufacturers on the framework. A previous report was presented to Cabinet Member Transportation in August 2011 requesting approval to carry out the tendering exercise.
20. Prior to compiling the tender specifications for the refuse collection vehicles, a review of the service requirements was undertaken. This resulted in a decision to increase the size and carrying capacity of eight vehicles. Increasing the Gross Vehicle Weight to increase payload will reduce the number of trips to transfer loading stations saving fuel and unproductive time.
21. A review of service requirements was also undertaken within the Specialist transport Unit. This resulted in a decision to decrease the size of the vehicles to 15 seats and to include the option of automatic transmission in

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an effort to reduce maintenance costs and vehicle downtime. In addition, new legislation was introduced within the industry with effect from 2012 in that all new vehicles must meet stringent requirements known as 'Type Approval'. The proposed vehicles meet all of these requirements and as such the residual value of all of these vehicles will be maintained in future years

## Results of the Tendering Exercise

22. A summary of the evaluated scores, for each stage of the evaluation process are shown in Annex 5.
23. Members will note that The Procurement Partnership contacted eight refuse collection vehicle manufacturers inviting them to tender for the vehicles. The following 5 companies returned the completed documentation by the deadline;
- |                         |                  |              |
|-------------------------|------------------|--------------|
| C P Davidson & Sons Ltd | Dennis Eagle Ltd | Farid UK Ltd |
| Faun Zoeller UK Ltd     | Heil Europe Ltd  |              |
24. Members will also note that The Procurement Partnership contacted seven bus and coach vehicle manufacturers inviting them to tender for the Specialist Transport vehicles. The following 2 companies returned the completed documentation by the deadline;
- Treka Bus Ltd  
Mellor Coachcraft
25. Attached in Annex 1 is a summary of the types and number of vehicles required together with details of returned tenders and the lowest price received.

## Tender Evaluation/Financial Implications for the Refuse Collection Vehicles

26. Officers from the Transport Section of Direct Services and the Finance Departments Procurement Section have evaluated the returned tenders and supporting documentation using the following evaluation criteria:
- |                     |     |
|---------------------|-----|
| Price               | 50% |
| Quality             | 20% |
| Experience          | 10% |
| After Sales Support | 20% |
27. Stage one of this exercise consisted of scoring each of the tenders using a clear and transparent scoring method and awarding points against each of above factors. This resulted in two tenderers occupying the four highest bid positions each offering 2 options of vehicles to the required specification.
28. Stage two of the tender evaluation involved meetings being held with the two highest scoring tenderers attended by officers from the Cleansing and Transport Sections of Direct Services and the Procurement Section of the

Finance Department.

29. Each of the companies were asked a number of key questions relating to vehicle delivery deadlines, warranty terms and conditions, staff product training, bin lift options and service support arrangements including response times and were scored accordingly by the panel. Tenderers were also given the final opportunity to propose any bid enhancements for each category of vehicle or ancillary equipment.
30. Importantly, in order to critically examine the actual value of each bid, Evaluating officers considered a range of whole life costs at this second stage of evaluation including:
  - Full warranty cover costs
  - Full support cover costs
  - Full vehicle tracking provision costs
  - Workshop re – tooling
  - Camera recording facilities on vehicles
  - Operation downtime attributable to re-training of workshop personnel
  - Annual calibration of vehicle load weighing equipment
  - Non-cost reduction bid enhancements
31. The results of the stage two evaluation meetings were that;
  - (i) The total purchase price for the fleet of vehicles was reduced by £27,485
  - (ii) Tenderer B has offered to fit the manufacturers approved fuel saving device to the ten (8 x 4) 32000kg vehicles at no cost, an initial saving of £13,725 with ongoing fuel savings. We have also negotiated a substantially reduced rate for fitting fuel saving devices to the rest of the proposed fleet, the cost of which is included in the price structure.
  - (iii) The nominated supplier would also provide a dedicated spare bin lift to Sefton, at no cost, for use in the event of breakdown to reduce operational downtime.
32. Meetings and vehicle demonstrations have been held across the Cleansing Section to ensure the vehicles are fit for purpose, compatible with the geography of the dedicated rounds, and can carry the required payloads of both domestic 'residual' and 'garden' wastes.
33. It had been hoped that the use of some vehicles with larger capacities could generate a saving to the Council by a commensurate reduction in the size of the vehicle fleet. Whilst the overall size of the vehicle fleet has indeed reduced by two vehicles, the overall cost to the Council has increased by £360k over the five year period. Since the last procurement exercise was undertaken five years ago there have been huge increases in the cost of raw materials, especially in the steel used to manufacture the vehicle fleet. On average terms the Council paid £115,000 per vehicle five years ago. This exercise has resulted in an average cost of some £145,000 per vehicle,

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an increase of over 25%. It should be noted that despite the huge increase in vehicle costs, the proposed one-off use of reserves to fund the difference between budget and procurement cost means that there will be no increase in the transport budget over the next five years.

34. It should also be noted that to extend the existing lease arrangements, coupled with an obvious increases in maintenance costs, would make this option cost prohibitive. However, as the procurement option identified for this new fleet involves the residual assets (the vehicles) belonging to the Council at the end of the repayment term, there may well be a future option to delay the replacement of any or all of the vehicles subject only to ongoing maintenance costs, as there will be no additional procurement costs after the initial five year period.

## **Tender Evaluation/Financial Implications for the Specialist Transport Vehicles**

35. Officers from the Specialist Transport Unit and the Finance Department's Procurement Section have evaluated the returned tenders and supporting documentation which involved a number of checks and assessments including:
  - a) Compliance with specification.
  - b) Arithmetic Accuracy.
  - c) Technical Competence.
  - d) Financial Appraisal.
  - e) Warranty and After Sales Support.
36. Meetings and vehicle demonstrations have been held with the Specialist Transport Section to ensure the vehicles are fit for purpose, compatible with the operation and can carry the required number of clients, including wheelchairs and walking aids, and comply with all current legislation

## **Financial Implications**

37. The estimated purchase costs for the proposed new refuse fleet and STU fleet are shown in Annex 1. These costs would be funded from Prudential Borrowing over 5 years
38. In accordance with CIPFA Code of Practice for best value accounting all vehicle recharges to user departments must be at actual cost. It is therefore important that an estimated 5-year prediction be made to provide user departments with confidence in their budget projections.
39. The vehicle maintenance costs have been calculated using historical information from the current refuse collection Mercedes Econic fleet, and the current Mercedes specialist transport vehicles, and includes for all planned maintenance, tyres, unscheduled repairs and excess wear and tear.
40. Inflation in fuel costs cannot be predicted and thus are based on current

annual usage consumption and cost. The new vehicles are fitted with EURO 5 compliant engines, which with the use of an additive called Adblue reduce the exhaust emissions and air pollutants. Members should note that no provision has been made within these estimates for any abnormal inflationary increases or potential changes to fuel taxation policy or fuel supply restrictions. However, it is assumed that such inflationary pressures as might arise would be considered as part of the Council's wider corporate budget considerations.

41. Annex 3 shows the phased implementation of the new refuse collection fleet together with a profile of the estimated expenditure of the vehicles from 2013 to 2017. Members will note a reduction in costs at year 4 following replacement of major vehicle components in year 3. This is a natural part of the life cycle costs and operation of such a fleet, and reflects the actual experience with the current fleet. Costs will increase again at year 5.
42. Annex 3 further summarises the revenue budgetary implications of the proposed changes to the refuse collection fleet for each year to 2017. The overall additional cost, across the 5 year period, is £360,408.
43. Annex 4 summarises the revenue budgetary implications of the proposed changes to the specialist transport fleet for each year to 2017. The overall saving against the current budget over the five year period is £344,742.
44. It is proposed to fund the additional costs of replacing the cleansing fleet in years 2–5 (£416,346) from the partial use of an earmarked Cleansing Reserve, with the forecast year 1 saving (£55,938) being added to this reserve thereby reducing the net call on the reserve to £360,408, whilst keeping the same level of revenue budget throughout the 5 year period. This would alleviate the need for budget growth.
45. The replacement of the STU vehicle fleet will generate savings in each of the next 5 years when compared to the existing revenue budget. The forecast savings in year 1 (£76,934) will be broadly maintained in years 2-5 giving an overall saving of £344,742 over this period.
46. The refuse collection vehicles would also have a residual value after the end of a 5 year usage, and any capital receipts arising from the sale of such an asset could be used towards the replacement costs of the next fleet. Such value may be in the region of £425,000 based on current average market values. This figure however is indicative and would be dependent upon condition and vehicle usage at the end of the 5 year period. In addition, a decision could be taken to delay the purchase of a refuse collection fleet at the end of this procurement period. This would be on the basis that the remaining vehicles would not be subject to any repayments, and it may therefore be cost effective to retain them for an additional period even taking account of increased maintenance costs.
47. Likewise, it is anticipated that the specialist transport vehicles would have a good residual value throughout the usage period. Based on current

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average market values the value of the fleet at the end of the five year period could be in the region of £175k, with the value obviously increasing within a shorter timescale. This figure at this stage is therefore purely indicative and would be dependent upon condition and vehicle usage at the end of the 5 year period. However, it is also assumed that by purchasing vehicles which are fully compliant with the new 'Type Approval' legislation, the residual values will remain at a high level.

## **Existing Fleet Vehicles**

48. All vehicles now recommended for replacement are approaching the end of their current lease period and are not subject to any early termination penalty.

## **Conclusion**

49. The current Cleansing refuse fleet, and a large part of the current Specialist Transport fleet, is now approaching the end of its useful life. Maintenance costs are rapidly increasing and vehicle unreliability will result in more downtime and the need to supplement the fleet with externally hired vehicles, which are very expensive and not readily available. The introduction of new vehicles fitted with the latest technology, and to the latest legislative specifications, will ensure delivery of the service is not reduced.
50. The procurement of ten new vehicles for the Specialist Transport Unit will allow the service to continue to operate subject to the findings and recommendations of the ongoing review into adult transportation within the Borough. The remaining 13 vehicles will be coming to the end of their latest lease period in 2013 and at that time a further report can be considered regarding the future operation of the in-house fleet. However, this proposal provides continuity of service for all vulnerable junior clients both during and following the adult transport review, whilst also providing an ongoing asset to the Council
51. Based on the outcome of the second stage of the evaluation process, see Annex 5, the contract for supplying the new fleet of refuse collection vehicles should be awarded to Tenderer B.
52. Based on the outcome of the financial evaluation for the STU vehicles, as per Annex 1, the contact for supplying the ten STU vehicles should be awarded to Tenderer No. 1.
53. To enable the phased introduction of new vehicles, and to accommodate build times, orders will need to be placed during September 2012 to ensure that the vehicle delivery schedules coincide with the return of the first batch of existing fleet in November 2012.

**ANNEX 1**

**NEW VEHICLE PROCUREMENT - REFUSE COLLECTION & SPECIALIST TRANSPORT VEHICLES 2012/13**

**SPECIALIST TRANSPORT VEHICLES**

Tender No	Vehicle Type	Number Required	No.of Companies Invited to Tender	No.of Returned Tenders	Comparison of Submitted Tenders		Total Cost for Ten Vehicles
					Tenderer No 1	£66,168 per vehicle	
T:351	Mercedes Coachbuilt 16 Seat Bus	10	7	2	Tenderer No 1	£66,168 per vehicle	£661,680
T:351	Mercedes Coachbuilt 16 Seat Bus				Tenderer No 2	£68,802 per vehicle	£688,020

**REFUSE COLLECTION VEHICLES**

Tender No	Vehicle Type	Number Required	No.of Companies Invited to Tender	No.of Returned Tenders	Lowest Price which complied in full with tender requirements	
					Cost Per Vehicle	Total Cost
T:380	8 X 4 32,000KG Refuse vehicle with Splitlift	10	8	5	£155,738	£1,557,380
T:383	6 X 2 Rear Steer 26,000kg Refuse Vehicle with Splitlift	15	8	5	£144,341	£2,165,115

**ANNEX 2**

SPECIALIST TRANSPORT UNIT - FLEET COST BREAKDOWN FOR 2011/12									
COSTS OF 13 'NEWER' VEHICLES FOR 2011/12									
REG NUM	FLEET NO	VEHICLE TYPE		MAINT	LEASE	LICENCE	FUEL	ADMIN	TOTAL
<b>North Depot</b>									
DK08OSG	1820	Mercedes Spinter 15 Seater		3,866.30	11,568.00	165.00	4,049.43	1,236.00	20,884.73
DK08OSL	1822	Mercedes Sprinter 15 Seater		2,662.52	11,568.00	165.00	2,151.93	1,236.00	17,783.45
DK08OSY	1823	Mercedes Sprinter 15 Seater		2,717.96	11,568.00	165.00	3,699.74	1,236.00	19,386.70
DK08OSZ	1824	Mercedes Spinter 15 Seater		3,365.72	11,568.00	165.00	3,491.13	1,236.00	19,825.85
DK58CWM	1830	Mercedes Sprinter 15 Seater		2,621.31	11,568.00	165.00	2,834.11	1,236.00	18,424.42
MV58LNW	1826	Ford Transit Minibus		1,193.69	4,452.00	165.00	1,414.66	1,236.00	8,461.35
<b>South Depot</b>									
DK08OSJ	1821	Mercedes Sprinter 15 Seater		1,808.90	11,568.00	165.00	2,260.00	1,236.00	17,037.90
DK08OSX	1825	Mercedes Sprinter 15 Seater		4,422.15	11,568.00	165.00	3,849.91	1,236.00	21,241.06
DK58CWT	1828	Mercedes Sprinter 15 Seater		2,065.10	11,568.00	165.00	1,477.66	1,236.00	16,511.76
DK58CYG	1829	Mercedes Sprinter 15 Seater		2,355.52	11,568.00	165.00	3,332.52	1,236.00	18,657.04
DK58CWO	1831	Mercedes Sprinter 15 Seater		3,337.78	11,568.00	165.00	3,011.34	1,236.00	19,318.12
DK58CWL	1832	Mercedes Sprinter 15 Seater		2,709.17	11,568.00	165.00	2,592.87	1,236.00	18,271.04
MV58LNU	1827	Ford Transit Minibus		1,185.65	4,452.00	165.00	1,935.04	1,236.00	8,973.69
<b>TOTALS</b>		<b>13 Vehicles</b>		<b>34,311.77</b>	<b>136,152.00</b>	<b>2,145.00</b>	<b>36,100.34</b>	<b>16,068.00</b>	<b>224,777.11</b>



**COSTS OF 10 'OLDER' VEHICLES FOR 2011/12**

REG NUM	FLEET NO	VEHICLE TYPE	MAINT	LEASE	LICENCE	FUEL	ADMIN	TOTAL
<b>North Depot</b>								
BJ03OUV	1759	Mercedes Vario 24 Seater	3,932.96	9,468.00	220.00	3,026.68	1,236.00	17,883.64
BW04USM	1783	Mercedes Vario 24 Seater	4,320.72	9,708.00	220.00	4,511.54	1,236.00	19,996.26
BW04USN	1784	Mercedes Vario 24 Seater	5,327.06	9,708.00	220.00	4,539.94	1,236.00	21,031.00
<b>South Depot</b>								
MK52PDO	1752	Iveco 24 Seater	3,572.88	9,708.00	220.00	3,851.02	1,236.00	18,587.90
BJ03OTX	1763	Mercedes Vario 24 Seater	6,876.61	9,468.00	220.00	3,931.02	1,236.00	21,731.63
BJ03OTY	1764	Mercedes Vario 24 Seater	4,029.21	9,468.00	220.00	1,796.59	1,236.00	16,749.80
BW04USP	1785	Mercedes Vario 24 Seater	3,867.93	9,708.00	220.00	3,135.96	1,236.00	18,167.89
BX54EFE	1786	Mercedes Vario 24 Seater	5,053.28	9,792.00	220.00	2,584.69	1,236.00	18,885.97
BX54EFF	1787	Mercedes Vario 24 Seater	4,806.11	9,708.00	220.00	1,891.41	1,236.00	17,861.52
BX54EFG	1788	Mercedes Vario 24 Seater	6,935.69	9,876.00	220.00	8,761.04	1,236.00	27,028.73
<b>TOTALS</b>		<b>10 Vehicles</b>	<b>48,722.45</b>	<b>96,612.00</b>	<b>2,200.00</b>	<b>38,029.89</b>	<b>12,360.00</b>	<b>197,924.34</b>

Vehicle Repair & Maintenance Budget 2011/12	<b>£206,250</b>
Vehicle Leasing Charges Budget 2011/12	<b>£291,650</b>
Total Vehicle Operations Budget 2011/12	<b>£497,900</b>
Total 'In House' Vehicle Expenditure 2011/12	<b>£422,701</b>
Underspend / Surplus	<b>-£75,199</b>

ANNEX 3

REFUSE COLLECTION VEHICLE REPLACEMENT PROGRAMME – PRUDENTIAL BORROWING PROPOSAL

					2013/14	2014/15	2015/16	2016/17	2017/18	
	New Vehicles				Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
2013/14	15 Number	26 Ton	Borrowing Costs		451,515	451,515	451,515	451,515	451,515	2,257,575
	RCV with	Bin lift	Other Costs		117,150	181,665	236,085	168,375	236,085	939,360
	10 Number	32 Ton	Borrowing Costs		324,780	324,780	324,780	324,780	324,780	1,623,900
	RCV with	Bin lift	Other Costs		94,200	137,210	173,490	128,350	173,490	706,740
	Existing / Remaining Vehicles									
	1 x 26 Ton Econic		Lease Costs		0	0	0	0	0	0
			Other Costs		12,111	14,911	16,186	13,801	14,686	71,695
	2 x 15 Ton Atego		Lease Costs		0	0	0	0	0	0
			Other Costs		14,876	21,252	21,614	25,746	30,500	113,988
	Estimated fuel costs based on £14059 per vehicle				345,780	345,780	345,780	345,780	345,780	1,728,900
	<b>TOTALS</b>				<b>1,360,412</b>	<b>1,477,113</b>	<b>1,569,450</b>	<b>1,458,347</b>	<b>1,576,836</b>	<b>7,442,158</b>
	Cleansing Refuse Budget Transport				1,416,350	1,416,350	1,416,350	1,416,350	1,416,350	7,081,750
	Variance				<b>-55,938</b>	60,763	153,100	41,997	160,486	<b>360,408</b>
Based on above, the total <b>additional</b> resource required over a five year period from 2013 to 2018 is <b>£360,408</b> .										
Notes:	1. Fuel estimates based on 25 core vehicle daily use.									
	2. Maintenance costs assume Assume w/shop labour rate of £32 per hour+10% addition to materials cost for handling , storage etc .									
	3. New vehicle borrowing costs based on Finance estimates of 1.41%									

**ANNEX 4**

**SPECIALIST TRANSPORT VEHICLE REPLACEMENT PROGRAMME – PRUDENTIAL BORROWING PROPOSAL**

		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>TOTAL</b>
Proposed 10 New Vehicle Costs	Borrowing Costs	138,230	138,230	138,230	138,230	138,230	691,150
	Other Costs (Licence, maintenance, admin)	22,000	22,000	22,000	27,000	29,500	122,500
Remaining 13 Vehicle Costs	Lease Costs	136,152	136,152	136,152	136,152	136,152	680,760
	Other Costs (Licence, maintenance, admin)	52,524	57,524	60,000	60,000	60,000	290,048
Estimated Fuel Costs based on £3,136 per vehicle per year		72,060	72,060	72,060	72,060	72,060	360,300
<b>TOTALS</b>		<b>420,966</b>	<b>425,966</b>	<b>428,442</b>	<b>433,442</b>	<b>435,942</b>	<b>2,144,758</b>
Current STU In-house Transport Budget		497,900	497,900	497,900	497,900	497,900	2,489,500
Variance/Saving		<b>-76,934</b>	<b>-71,934</b>	<b>-69,458</b>	<b>-64,458</b>	<b>-61,958</b>	<b>-344,742</b>

**Notes:**

1. "Borrowing costs" on new vehicles includes 1.41% interest
2. "Other costs" on new vehicles includes nominal £750 per vehicle for maintenance in Years 1, 2 and 3 whilst under warranty.
3. "Other costs" on remaining vehicles includes an estimation based upon current maintenance costs, but only until 2015, as after that time vehicles will be difficult to maintain due to age, condition and mileage of vehicles. A decision will be needed as to future viability, usage and potential replacement of the in-house fleet.
4. Fuel estimates are based on an average usage across 20 vehicles.
5. Maintenance costs assume a workshop labour rate of £32 per hour, plus 10% addition to materials, costs for handling, storage, etc.

**Tender Evaluation - RCV Fleet Replacement**

<b>STAGE 1</b>	<b>Maximum Score Available</b>	<b>Allocated Score</b>	
Tender A Option 1	300	221.95	Taken through to Stage 2
Tender A Option 2	300	223.67	Taken through to Stage 2
Tender B Option 1	300	265.92	Taken through to Stage 2
Tender B Option 2	300	263.57	Taken through to Stage 2
Tender C Option 1	300	211.84	
Tender C Option 2	300	211.4	
Tender C Option 3	300	70.82	(Part offer only)
Tender C Option 4	300	70.79	(Part offer only)
Tender D Option 1	300	186.74	
Tender D Option 2	300	186.55	
Tender E Option 1	300	211.57	
Tender E Option 2	300	211.48	
Tender E Option 3	300	206.55	
Tender E Option 4	300	206.46	

<b>STAGE 2</b>	<b>Maximum Score Available</b>	<b>Allocated Score</b>	
Tender A Option 1	220	153.69	
Tender A Option 2	220	154.98	
<b>Tender B Option 1</b>	<b>220</b>	<b>187.77</b>	Highest Evaluated Bid
Tender B Option 2	220	185.24	

# Agenda Item 13

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**Report to:** Cabinet  
Overview & Scrutiny Management  
Council

**Date of Meeting:** 16 August 2012  
28 August 2012  
6 September 2012

**Subject:** Review of the Council's Constitution

**Report of:** Director of Corporate Support Services and  
Director of Corporate Commissioning

**Wards Affected:** All

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

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## Purpose/Summary

1. To outline the proposed changes to the Council's Constitution
2. To formulate recommendations to Council for determination on 6 September 2012

Recommendations: Cabinet – 16 August 2012

1. That Cabinet notes the proposed amendments to the Constitution
2. That Cabinet recommends the newly amended Constitution for consideration
3. That Cabinet agrees to delegate power to both the Heads of Governance and Civic Services and Corporate Legal Services to make legislative and any other necessary and urgent amendments to the Constitution and for such actions to be reported to the next Council meeting as appropriate. Any such step to be taken in consultation with the Leader of the Council

Recommendations: Council – Overview and Scrutiny – 28 August 2012

That the Committee consider the amended Constitution and refer any comments for consideration to Council

**Recommendations: Council – 6 September 2012**

That Council adopts the newly revised Constitution with immediate effect.

## How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		X	
2	Jobs and Prosperity		X	
3	Environmental Sustainability		X	
4	Health and Well-Being		X	

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5	Children and Young People		X	
6	Creating Safe Communities		X	
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy		X	

## Reasons for the Recommendation:

The purpose of revising the Council's Constitution was to make the document more user friendly.

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

### (A) Revenue Costs

Nil

### (B) Capital Costs

Nil

## Implications:

**Legal:** Legal implications are contained within the report

**Human Resources:** Nil

### Equality

- |    |  |                          |
|----|--|--------------------------|
| 1. | No Equality Implication                          | <input type="checkbox"/> |
| 2. | Equality Implications identified and mitigated   | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

## Impact on Service Delivery:

It is anticipated that this will facilitate more efficient working for all those who have to work to and consult the Council's Constitution.

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

The Head of Corporate Finance (FD1706/12) has been consulted and there are no financial implications arising from the contents of the report.

## **Are there any other options available for consideration?**

These are contained within the report

## **Implementation Date for the Decision**

6 September 2012

**Contact Officer:** Jill Coule  
**Tel:** Head of Corporate Legal Services  
**Email:** [jill.coule@sefton.gov.uk](mailto:jill.coule@sefton.gov.uk)

## **Background Papers: Nil**

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

The Constitution is being presented to Members as a draft for consideration, which will ultimately be determined at the meeting of Council on 6 September 2012.

Key steps have been taken to amend the Constitution in light of the following principles/issues:

- a. No changes have been made to the balance of responsibilities between Councillors and Officers
- b. Existing legislative provisions have been reviewed to ensure they are accurate and up to date. Where legislative changes have been made, they may have also necessitated an updating of practices and procedures in the Constitution. In particular new legislative provisions have been included such as those arising from the Localism Act 2011.
- c. Key phrases and terms have been reviewed to ensure that they are consistent throughout their use in the Constitution
- d. Terms of Reference for committees, panels etc have been updated to reflect changes made to the Council's structure and hierarchy
- e. The style and format of the officer scheme of delegation has been radically overhauled. It will now operate on a set of principles as opposed to an exhaustive list of legislation that requires extensive reviewing and updating on an at least annual basis.
- f. Reduction in the size of the Constitution where possible – duplication has been removed etc

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The Constitution is currently divided into 7 sections. It can be hard to locate key information within it, difficult to reference and inconsistent in places. Officers consider that by using the current Articles/Sections (currently set out in Section 1 of the constitution) as the basis for the key chapters of the Constitution, information will be more easily accessed. Information is now contained in the following categories. These are now referred to as chapters of the Constitution.

- **Introduction to the Constitution** – this Chapter includes a short explanation and summary of the purpose and statutory basis for the document, some key definitions and principles
- **Members** – this Chapter now includes all information that is relevant to all member to understand for their role as a Councillor, such as the Code of Conduct, in which forums a member can ask questions, when member's have rights to speak at, how to ask for a dispensation, call for action, petitions, register of interests etc
- **Citizens** – this Chapter sets out relevant information so that a member of the public can readily understand how to access council information, when and how to ask questions and which forums and how to make a complaint about council services or councillors.
- **Full Council** – every councillor has to attend full Council so it is important that they know where to find the rules that apply to the meeting, what the role of the Mayor is , what decisions are unique to Council meetings, when they can and cannot vote at a Council budget meeting etc.
- **Cabinet** –this Chapter includes all the rules of procedure, decisions which are unique to Cabinet, the role of the Leader and the Portfolio Holders, responsibilities etc.
- **Overview & Scrutiny** – as this is a unique function within the Council this Chapter ensures that all of the rules of procedure, responsibilities, composition and how a committee goes about calling people to give evidence, assist them with their scrutiny function etc.
- **Regulatory & Other Committees** – the Council has a range of other committees, some of which are quasi-judicial in nature, such as licensing, planning, and other committee such as audit and governance etc. All aspects relating to these committees is captured in this Chapter so that it is clearly understood what the roles, rules and responsibilities of these bodies are.
- **Area Committees** – the same approach has been taken in this Chapter to ensure that both members and citizens participating in these committees understand the roles and responsibilities



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- **Joint arrangements & Strategic Partnerships** – there are number of organisations with which the Council works that are included in this Chapter. The Chapter sets out roles, responsibilities, composition and access to information rules. There is also an opportunity here to include information about the Council’s own company to ensure that the Council undertakes the role of the shareholder in a transparent and consistent manner.
- **Officers** –This Chapter incorporates a range of rules and procedures with which officers need to be acquainted. This includes delegations, rules around publicity, purdah, the roles of statutory officers, political restriction of posts, codes and protocols etc.
- **Finance, Contracts and Legal** – these issues underpin much of the work that goes on within the Council. It is essential that these rules, procedures etc are readily found, so it proposed to have a separate chapter accordingly.
- **Officers and Members** – this has been used for information that both officers and members need to be aware of and includes for example the Access to Information Rules and the Member/Officer Protocol

## 2. Process and timetable:

Date	Meeting/Consultation
25 June 2012	Briefing Cabinet Member - Performance and Governance Portfolio Holder
23 July 2012	Briefing Cabinet Member - Performance and Governance Portfolio Holder
16 August 2012	Cabinet
22 August 2012	Briefing Opposition Members
28 August 2012	Overview & Scrutiny Management Committee
6 September 2012	Council

The Constitution can be viewed by accessing the following link to the Council’s Document Library:

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13379&path=13378>

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