

MEETING: CABINET
DATE: Thursday 12th September, 2013
TIME: 10.00 am
VENUE: Town Hall, Bootle

Member

Councillor

Councillor P. Dowd (Chair)
Councillor Cummins
Councillor Fairclough
Councillor Hardy
Councillor Maher
Councillor Moncur
Councillor Tweed

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

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

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

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

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

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A G E N D A

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members 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 Minutes of the meeting held on 15 August 2013		(Pages 5 - 6)
* 4.	Liverpool City Region Review of Strategic Governance Report of the Chief Executive	All Wards	(Pages 7 - 82)
* 5.	Budget Savings Update 2013/14 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 83 - 96)
* 6.	Financial Outturn Position of the Council and Transfers to Reserves/General Balances Report of the Head of Corporate Finance and ICT	All Wards	(Pages 97 - 106)
* 7.	Approval of the Formby and Little Altcar Neighbourhood Plan Area Report of the Director of Built Environment	Harington; Ravenmeols	(Pages 107 - 116)
* 8.	Liverpool City Region Business Growth Grant Programme Report of the Director of Built Environment	All Wards	(Pages 117 - 126)

* 9.	A5758 Broom's Cross Road (Thornton Switch Island Link) - Approval to Proceed to Construction Report of the Director of Built Environment	Manor; Molyneux; Netherton and Orrell; Park; St. Oswald	(Pages 127 - 134)
* 10.	Homelessness Strategy Report of the Director of Built Environment	All Wards	(Pages 135 - 180)
* 11.	Procurement Process for Provision of of Bailiff Services Report of the Head of Corporate Finance and ICT	All Wards	(Pages 181 - 202)
* 12.	Future Arrangements for Refuse and Recycling Collections Report of the Director of Street Scene	All Wards	(Pages 203 - 208)
* 13.	Specialist Transport Unit Passenger Transport Framework Agreement Report of the Director of Street Scene	All Wards	(Pages 209 - 216)
* 14.	Future Arrangements for the Delivery of Information, Advice and Guidance and Post 16 Data Tracking Services in Sefton Report of the Director of Young People and Families	All Wards	(Pages 217 - 222)
* 15.	Service and Maintenance of Community Equipment - Approval for Tender Process Report of the Director of Older People	All Wards	(Pages 223 - 228)
* 16.	Procurement of School Nursing Services and Sexual Health Services Report of the Director of Public Health	All Wards	(Pages 229 - 236)
17.	Local Solutions - Change in Council's Appointed Representative Report of the Director of Corporate Services	All Wards	(Pages 237 - 240)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 28 AUGUST, 2013.

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 15TH AUGUST, 2013

PRESENT: Councillor P. Dowd (in the Chair)
Councillors Cummins, Fairclough, Maher, Moncur
and Tweed

ALSO PRESENT: Councillors Crabtree, Dorgan, Hartill and McIvor

28. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Hardy.

29. DECLARATIONS OF INTEREST

No declarations of interest were received.

30. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meeting held on 18 July 2013 be confirmed as a correct record.

31. LIVERPOOL CITY REGION REVIEW OF STRATEGIC GOVERNANCE

Further to Minute No. 23 of the meeting held on 18 July 2013, the Cabinet considered the report of the Chief Executive which explained why the Liverpool City Region needed to review its strategic governance for economic development, regeneration and transport; and outlined the process which had been undertaken to conduct a governance review commissioned by the Liverpool City Region Cabinet.

The report identified how a potential Liverpool City Region Combined Authority would operate and the functions it would discharge; set out a draft scheme for its establishment; outlined the proposed approach to consultation and sought agreement to host specific Sefton events on the review of strategic governance and the operation of a potential Liverpool City Region Combined Authority.

The Chief Executive reported that the results of the proposed consultation exercise on the operation of a potential Liverpool City Region Combined

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CABINET- THURSDAY 15TH AUGUST, 2013

Authority would be submitted for consideration to the Cabinet meeting on 12 September 2013 and to an Extraordinary meeting of the Council to be held on 27 September 2013.

Decision Made:

That:

- (1) the draft findings of the Liverpool City Region strategic governance review, as set out in Appendix A of the report be endorsed;
- (2) the draft outline of the potential role for a Liverpool City Region Combined Authority, as set out in Appendix B of the report be endorsed;
- (3) the draft scheme for the establishment of a Combined Authority for the Liverpool City Region, as set out in Appendix C of the report be endorsed;
- (4) the holding of Sefton events as part of the consultation on the proposals set out in Appendices A, B and C of the report, be agreed; and
- (5) the final versions of the documents set out in Appendices A, B and C of the report, together with the results of the consultation exercise, be submitted for consideration at future meetings of the Cabinet and Council.

Reasons for Decision:

The Review of Strategic Governance had concluded that the economic conditions of the Liverpool City Region would be best improved by establishing a Liverpool City Region Combined Authority. The report summarised that review and a potential role for the Liverpool City Region Combined Authority, which would be subject to consultation between 5 August 2013 and 6 September 2013.

Alternative Options Considered and Rejected:

Other options for strategic governance in the Liverpool City Region were considered as part of the review of strategic governance. and they were set out in the report.

Report to: Cabinet

Date of Meeting: 12 September 2013

Subject: Liverpool City Region Review of Strategic Governance

Report of: Chief Executive

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential: No

Purpose/Summary

- 1.1 This report informs the Cabinet of the current position in relation to the consultation on the Liverpool City Region Strategic Governance Review and the proposals to establish a Liverpool City Region Combined Authority.
- 1.2 The report recommends to Council that the Liverpool City Region Strategic Governance Review document and Scheme for the establishment of a Combined Authority be submitted to Government by 30 September 2013 following endorsement by the proposed constituent councils.
- 1.3 The report also recommends to Council that Sefton Council becomes a constituent member of the Liverpool City Region Combined Authority, sharing appropriate economic development and transport powers with other councils within the Liverpool City Region Combined Authority, in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) and the Local Transport Act 2008 (“the 2008 Act”).
- 1.4 A similar report is being presented to Members in the other Liverpool City Region authorities and the Merseyside Integrated Transport Authority (“MITA”).

Recommendation(s)

1. That Cabinet:

- A. Notes the consultation responses to the Liverpool City Region Strategic Governance Review received up to 3 September 2013 included as Appendix 3 in this report
- B. Notes any further consultation responses received and circulated since publication of this report.

2. Members of the Cabinet are recommended to endorse the work undertaken to date and taking into account the Consultation responses received considers recommending to the next meeting of the Council:

- A. The submission of the Liverpool City Region Strategic Governance Review and

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draft Scheme to the Department for Communities and Local Government for the establishment of a Liverpool City Region Combined Authority on the basis of the draft attached at Appendices 1 and 2 to this report;

- B. That Sefton Council should formally become a constituent member of the Liverpool City Region Combined Authority, thereby sharing appropriate economic development and transport powers with other Councils within the Liverpool City Region Combined Authority in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009 and the Local Transport Act 2008; and,

3. Cabinet is asked to agree that approval to make any technical amendments to the Liverpool City Region Strategic Governance Review and Scheme before it is submitted to the Secretary of State on 30 September 2013 be delegated to the Chief Executive in consultation with the Leader of the Council.

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:

Please refer to paragraph 7 of the report .

What will it cost and how will it be financed?

(A) Revenue Costs

The Review of Strategic Governance within the Liverpool City Region is being conducted within existing resources. There has been a full due diligence process undertaken as part of the review of strategic governance which is covered elsewhere in this report.

Should the proposal to create a Liverpool City Region Combined Authority be approved, it would not have any additional resource implications for constituent Councils. In this regard, any additional costs arising from the new arrangements would be offset by

efficiencies and savings and the establishment of the Combined Authority would therefore be expected to be at least cost neutral in overall terms.

(B) Capital Costs

There are no capital cost implications arising from the proposal to create a Liverpool City Region Combined Authority.

Implications:

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

Legal The review of strategic governance in the Liverpool City Region has been conducted in accordance with the requirements of the Local Democracy, Economic Development and Construction Act of 2009.
Human Resources There are no specific Human Resources implications associated with the recommendations in this report.
Equality 1. No Equality Implication <input type="checkbox"/> 2. Equality Implications identified and mitigated <input type="checkbox" value="Yes"/> 3. Equality Implication identified and risk remains <input type="checkbox"/>

Impact on Service Delivery:

There are no impacts on service delivery arising from the recommendations within this report.

What consultations have taken place on the proposals and when?

The draft conclusions and recommendations of the review of strategic governance were open to public consultation between 2 August and 6 September 2013. Details of the proposals were sent to strategic partners and over 10,000 businesses in the City Region. The draft conclusions and recommendations were considered by the Cabinets of constituent Councils, MITA and the LEP Board. Targeted briefing sessions were held for businesses, partners and stakeholders, with the draft conclusions and recommendations being placed upon the website of all constituent Councils, Merseytravel and the LEP.

The Head of Corporate Finance and ICT (FD2539) and Head of Corporate Legal Services (LD1844) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

Other options for strategic governance in the Liverpool City Region were considered as part of the review of strategic governance and are detailed in Paragraph 4 of the report.

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Implementation Date for the Decision

Following decision of Council.

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Background Papers:

The Liverpool City Region Strategic Governance Review Equality Impact Assessment can be accessed via this link to the Council's website:

<http://modgov.sefton.gov.uk/moderngov/documents/s48350/LCR%20Combined%20Authority%20Equality%20Impact%20Assessment.pdf>

1. BACKGROUND

- 1.1 Liverpool City Region has a population of 1.5 million covering the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral and over 36,000 active businesses. The City Region has one of the fastest growing economies in the UK, with growth being driven across four key sectors: the Low Carbon Economy, the Knowledge Economy, Visitor Economy and the SuperPort.
- 1.2 The Liverpool City Region vision is to create a thriving, international City Region; and to achieve this, the Liverpool City Region must accelerate the opportunities for economic growth and utilise all means necessary. There is strong evidence that the Liverpool City Region has latent potential for additional economic output: if the City Region performed at the national average an additional £8.2bn of output would be generated per annum for the national economy.
- 1.3 To achieve this the City Region would need to deal with the economic challenges that are aggravated by the current global economic climate: productivity is 75% that of national rates, there is a gap of 18,500 businesses compared to national rates, a jobs deficit of 90,000, a skills deficit at all levels and one in ten residents are in receipt of either jobseekers' allowance or sickness benefit. In combination, these deficits contribute to the average household per-head being £1,700 less wealthy than the average nationally.
- 1.4 The six Local Authorities in the Liverpool City Region have a long history of collaboration at a scale that reflects the 'functional economic geography' of the area covering Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral. This dates back before the development of the Liverpool City Region Development Plan, which was agreed in 2007. This collaboration was formalised with the creation of the Liverpool City Region Cabinet in 2008 as an advisory body and, most recently, the establishment of the Liverpool City Region Local Enterprise Partnership in 2012 and the establishment of the Local Transport Body to serve the City Region in 2012.
- 1.5 The benefit of this collaboration was exemplified in the agreement of the Liverpool City Region Deal in 2012. Other examples include: prioritising investment activity to support the City Region's transformational growth areas of Low Carbon, SuperPort, the Knowledge Economy and Visitor Economy; and, in 2012–13 when the City Region attracted £16m of Empty Homes funding from the Homes and Communities Agency after taking a joint approach, which contrasts sharply with the £0.700m attracted the previous year when individual Local Authority level bids were submitted.
- 1.6 At their meeting on 21 June 2013, the Liverpool City Region Cabinet agreed to formally review strategic governance arrangements in relation to a potential Combined Authority model. The intention was to consider potential options to strengthen the existing governance arrangements to enable the Liverpool City Region to optimise its economic growth potential and to create a thriving, international City Region.

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2. LIVERPOOL CITY REGION GOVERNANCE REVIEW

2.1 The remit of the Governance Review, as commissioned by the Liverpool City Region Cabinet was to determine:

- Whether the area covered by the local authorities of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral can properly be seen as constituting a functional economic area for the purpose under consideration in the review; and
- Whether the existing governance arrangements for strategic economic development, regeneration and transport are effective or would benefit from changes.

2.2 There is no widely accepted definition of economic development: for the purpose of the governance review, economic development and regeneration was taken to cover strategic activity related to business support, inward investment, trade and export, strategic housing and employment and skills functions that can be better delivered if this is done collaboratively across the Liverpool City Region. This is in addition to the strategic transport functions also being considered. Further, only matters that are of City Region significance have been considered to be within the remit of this review: strategic decisions that are specific to a Council geography relating to economic development, regeneration and housing or operational decisions in these areas would still be made by individual Councils.

2.3 The statutory tests for the governance review in relation to a potential Combined Authority are set out in the 2008 Act and the 2009 Act. The process of the review examined the options available to the City Region in relation to each of the following and evaluated the likely improvement going forward:

- The exercise of statutory functions relating to economic development, regeneration and transport;
- The effectiveness and efficiency of transport; and
- The economic conditions in the area.

2.4 An Officer-led working group was tasked with undertaking the governance review, comprising senior officers and relevant experts from each of the constituent local authorities, Merseytravel and the LEP. This included the following activities:

- **Review of economic evidence** to test the rationale for working across the Liverpool City Region geography as a functional economic area. This included a review of previous strategies and identification of key information to assess the economic conditions of the area. The work was aligned to the strategy development process being led by the LEP to prepare the evidence base for the City Region Growth Plan. It also considered the key findings from evidence base work and engagement activity to develop the City Region EU Investment Fund framework for 2014 – 2020.
- **Desk research** of the current governance arrangements and structures.
- **Workshops** to collect views and evidence from stakeholders in each constituent authority, Merseytravel and the LEP to consider the functions or

activities that could benefit from strengthened collaborative governance arrangements.

- **One to one interviews** with external stakeholders, including LEP members, Chambers of Commerce and neighbouring local authorities, to collect views on the draft proposals.
- **Options assessment** based on this evidence.

3. THE EXISTING GOVERNANCE ARRANGEMENTS

- 3.1 The six Local Authorities in the Liverpool City Region have a long history of collaboration at a scale that reflects the 'functional economic geography' of the area. This collaboration was formalised with the creation of the Liverpool City Region Cabinet in 2008 and, most recently, the establishment of the Liverpool City Region Local Enterprise Partnership in March 2012 and the establishment of the Local Transport Body to serve the City Region later in 2012.
- 3.2 There are currently a number of Boards across the City Region bringing together the democratic leadership and senior business leaders to support our vision to be a thriving, international City Region, with those particularly relevant to the governance review of economic development, regeneration and transport summarised below.
- 3.3 **Liverpool City Region Cabinet:** The six Councils in the City Region have a track record of working together on areas of mutual benefit, dating back before the Liverpool City Region Development Plan, which was agreed in 2007. Following this, the Liverpool City Region Cabinet was established in 2008 as an advisory body to take forward this and other work. The City Region Cabinet is made up of the Mayor of Liverpool and Leaders of the five Councils. The Cabinet demonstrates high level leadership and has been effective at setting the strategy for the City Region and working in partnership with business leaders to develop the conditions for economic growth.
- 3.4 In 2008 the Cabinet agreed that each Leader/nominated member would lead on one of the portfolios identified in the City Region governance structure, and each Portfolio Holder would be supported by a Chief Executive acting as Lead Advisor. This led to a series of thematic City Region Boards, across transport, economic development, employment and skills, housing, health, and child poverty and life chances. Many of these Boards bring together the democratic mandate and the contributions of the private sector and other partners.
- 3.5 **Liverpool City Region Local Enterprise Partnership (LEP)** was established in March 2012 and formally incorporated: as such, it has a unique structure with over 400 members contributing to the success of the Partnership. This provides the LEP Company with an income stream which adds value to public funding for economic development, including European monies and sees the private sector playing a direct role in setting the economic agenda for the City Region. The Mayor of Liverpool and the other five Leaders also sit on the LEP Board alongside the private sector.
- 3.6 The LEP has established sector committees and panels around the key sectors for economic growth: Low Carbon Economy, SuperPort, Visitor Economy, Advanced Manufacturing and Innovation. This provides the opportunity for businesses and public bodies to work together on identifying the key actions and opportunities that

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will support the delivery of jobs and growth. The LEP has also been given a set of strategic responsibilities by Government in terms of prioritising investment (such as with Growing Places Funds) as well as setting future economic strategy for the City Region through the requirement for a Growth Plan by Spring 2014 and the determination of European Funding priorities. It is not however an entity that can have 'accountable body status' and therefore receive significant funding from Government.

- 3.7 **MITA** covers Knowsley, Liverpool, Sefton, St Helens and Wirral. Halton Borough Council acts as a local transport authority in its own right. There has been extensive collaboration and joint working on transport issues between City Region Councils, Merseytravel and increasingly the LEP, with the establishment of the Local Transport Body to serve the City Region as a case in point. An approval agreed as part of the City Deal in 2012. The aligned Local Transport Plans and implementation plans are a further example of the close work that is in place.
- 3.8 The Liverpool City Region has a track record of working together on Employment and Skills strategy across the functional economic area. The City Region's **Employment and Skills Board** leads work on jobs and skills on behalf of the City Region Cabinet and the LEP. This includes providing governance arrangements for a range of different devolved funding streams, securing over £100m of investment for the City Region in the past few years. The Board focuses on implementing the existing 10-year Employment and Skills Strategy and the City Region Deal for Jobs and Skills. It oversees the City Region's Labour Market Information Service, which communicates economic opportunities to the vast array of colleges, training providers and employment support providers. It also provides governance arrangements for a range of different devolved funding streams.
- 3.9 **Liverpool City Region Strategic Housing and Planning Board** - There is already considerable collaboration on strategic housing priorities and public sector assets aligned to the City Region's economic growth and regeneration ambitions. We have prepared a joint Local Investment Framework, for the delivery of our housing priorities, since 2009 and we have secured over £80 million pounds of investment as a result. The Board has recently been working on the Local Investment Framework for 2014 – 17, which will include a spatial framework, to support the Local Growth Plan. This Local Investment Framework will continue to identify and promote all housing opportunities which support economic growth and will identify all potential funding resources to support the delivery and to bridge funding gaps.

4. OPTIONS ASSESSMENT

- 4.1 The governance review (attached at Appendix One) has considered the four main options available to the Liverpool City Region at the present time assessed against the statutory tests identified in section 2.3 of this report:
- Option 1 - Leaving existing governance unchanged (status quo);
 - Option 2 - Establishing a Supervisory Board;
 - Option 3 - Establishing an Economic Prosperity Board; and
 - Option 4 - Creating a Combined Authority.

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4.2 The review demonstrated that the six Councils in the Liverpool City Region have a strong track record of working together on areas of mutual benefit. Collaborative working has evolved over the years and a number of City Region Boards bring together democratic leadership and senior business leaders, including the LEP. The City Region made further strides towards improving its governance arrangements, with the establishment of the Local Transport Body in 2012. However, the overarching arrangements remain informal without any independent legal status and could be improved, particularly around providing democratic leadership, transparency and accountability. There is a general consensus that the City Region has outgrown these existing arrangements and the time is now right to take the strategic governance arrangements to the next level, moving from a process of informal collaboration to joint decision making.

4.3 The findings of this review are summarised in the following table:

Option	Assessment
Status quo	Maintaining the status quo would provide the basis for economic growth (as it has done for some time) but may not make sufficient improvements in the economic conditions of the area in the timescales required.
Establishing a Supervisory Board	A Supervisory Board would address some of the governance and accountability issues around economic development and regeneration but would be a less formal arrangement and would still leave issues around transport outside these arrangements.
Establishing an Economic Prosperity Board	An Economic Prosperity Board would address some of the governance and accountability issues around economic development and regeneration but would still leave the issues around transport outside the formal joint arrangements.
Creating a Combined Authority	Building on existing arrangements and supporting the LEP, the creation of a Liverpool City Region Combined Authority, with the alignment of accountability, governance and geographies for economic development, regeneration and transport would provide the City Region with the best possible chance of securing significant and lasting improvements in economic development, regeneration and transport. This model will further strengthen democratic and financial accountability.

4.4 After evaluating the current available evidence, the conclusion from the strategic governance review is to propose a Liverpool City Region Combined Authority model, and to include the transport functions currently separately exercised by MITA and Halton Borough Council, as the preferred governance option. This would

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give legal form to the close working relationships that already exist between the six local authorities, the MITA and the LEP by creating a sub-regional body with legal personality and a governance mechanism that can act across the combined area.

- 4.5 A strong Combined Authority would be able to bring together key decision making powers into a single body, exercising appropriate strategic transport and economic development and regeneration functions. It would provide a visible, stable and statutory body which could act as the accountable body to attract further funding to the Liverpool City Region to support economic growth, alongside additional powers which may be devolved from Government.
- 4.6 A Combined Authority is not a merger or a takeover of existing local authority functions nor would it be a 'Super-Council'. Instead it would seek to complement local authority functions in economic development, regeneration and transport and enhance the effectiveness of the way they are discharged. In particular, it is the enhancement of decisions and information to a strategic level that are most frequently cited as the advantages of such a body. On this basis, the proposal to establish a Liverpool City Region Combined Authority would not have any additional resource implications for constituent Councils and would be expected to be cost neutral.

5. CONSULTATION

- 5.1 On 2 August 2013, the Liverpool City Region authorities, Merseytravel and their partners began consultation on a review of the strategic governance arrangements for the City Region. This consultation has sought views on the review of strategic governance and the proposal to create a Liverpool City Region Combined Authority, including the functions currently exercised by MITA and Halton's strategic local transport function. This would give legal form to the close working relationships that already exist between the six authorities, MITA and the Local Enterprise Partnership by creating a City Region body with legal personality and a governance mechanism that can act across the combined area.
- 5.2 Consultation in Sefton has been focused around two specific events held in Southport on 4 September 2013 and Bootle on 5 September 2013, to which invites were sent to 2,500 businesses and organisations. Details on the review of strategic governance were also sent out to partner organisations.
- 5.3 An interim report of City Region consultation is included with the Governance Review report attached at Appendix 1: this sets out the interim findings of the consultation as at 3 September 2013, most of the way through the consultation period, which closes on 6 September 2013. The report also contains a brief summary of the findings of this consultation exercise to date, including the detail of how stakeholders have responded to the proposals. A final version of the Report of Consultation will be completed after the conclusion of the consultation period. Members will be updated on the outcome of this consultation at the meeting of Cabinet on 12 September 2013. It is proposed that approval to make any amendments to the Liverpool City Region Strategic Governance Review before it is submitted to the Secretary of State on 30 September 2013 be delegated to the Chief Executive in consultation with the Leader of the Council.

6. THE REMIT OF A COMBINED AUTHORITY FOR THE LIVERPOOL CITY REGION

- 6.1 After evaluating the current available evidence and the options available to the City Region, the conclusion is that a Liverpool City Region Combined Authority model, including the functions currently exercised by the Merseyside Integrated Transport Authority and Halton’s strategic transport functions, is the preferred governance option. This would give legal form to the close working relationships that already exist between the six local authorities, the Integrated Transport Authority and the Local Enterprise Partnership by creating a sub-regional body with legal personality and a governance mechanism that can act across the combined area.
- 6.2 A strong Combined Authority, based on the natural economic area, would enable decisions to be made jointly by the democratically elected Leaders and/or the Elected Mayor in each of the six local authorities, together with the Chair of the Local Enterprise Partnership. It would provide a visible, stable and statutory City Region-wide body which could act as the Accountable Body to attract further funding to the Liverpool City Region to support economic growth, alongside any additional powers which may be devolved from Government.
- 6.3 The remit of the Combined Authority for the Liverpool City Region would be strategic economic development, regeneration, transport, strategic housing and employment and skills functions that can be better delivered collaboratively across the Liverpool City Region. The City Region Cabinet has made it clear that the Combined Authority would remain a lean, focused decision making body, with responsibility over those strategic issues where it is mutually beneficial for Local Authorities and the LEP to work together.
- 6.4 It is proposed that the City Region Combined Authority would discharge thematic functions through the following arrangements:

Function	Arrangements
Strategic Economic Development	Liverpool City Region Local Enterprise Partnership
Strategic Transport	Liverpool City Region Transport Joint Committee
Strategic Housing and Land Based Assets	Liverpool City Region Strategic Housing and Planning
Strategic Employment and Skills	Liverpool City Region Employment and Skills Board

- 6.5 On the Combined Authority each Constituent Authority would be represented by one member of its Cabinet who will be the Leader or Elected Mayor. These six members would form the core membership of the Combined Authority and could co-opt additional members onto the Combined Authority, including the Chair of the LEP.

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6.6 A model of joint scrutiny will be introduced in order to scrutinise decisions made at the City Region level in respect of those functions under the remit of the Combined Authority. This will be carried out by a panel (or pool) of Councillors nominated by the six Local Authorities in the Liverpool City Region. The role of Scrutiny will be to:

- Provide a critical friend role;
- Undertake pre-decision scrutiny reviews into areas of strategic importance for the people of the Liverpool City Region; and
- Monitor the delivery of the Liverpool City Region Combined Authority Strategic Plan.

7. REASONS FOR RECOMMENDATIONS

7.1 One of the drivers for reviewing the Liverpool City Region's governance arrangements is to secure greater influence over key levers and resources affecting local growth, including freedoms, flexibilities and funding which would otherwise remain under the control of Whitehall. The Liverpool City Deal, Liverpool City Region Deal and LEP Business Plan and Action Plans seek to capitalise on the City Region's strengths, assets and key sectors to attract investment into and create additional jobs within the City Region. However, they do not go far enough in terms of maximising opportunities to enhance local delivery of national programmes that are also critical to improving local growth, with a risk that other areas with Combined Authorities have a significant advantage over the City Region.

7.2 For a number of years the City Region has successfully aligned central Government funding, ERDF and private sector investment to support strategic priorities within the wider economy. Working with the LEP, a pipeline of projects spanning investment in infrastructure, business growth, housing, transport and regeneration is in place together with an agreed approach to the joint investment of ERDF, Regional Growth Fund and Growing Places funds. With the new Government funding opportunities and policies, including the Growth Deals/Single Local Growth Fund and EU Structural and Investment Funds 2014 - 2020 there is now an added impetus to ensure the City Region has the most appropriate strategic governance arrangements in place to deliver agreed priority investments and in doing so to maximise the use of these funds alongside existing resources.

7.3 Similarly, whilst the establishment of the Local Transport Body has been seen as a positive step; it is a staging post on the journey, rather than a destination. The Local Transport Body model does not enjoy the legal transport powers or funding regimes that are currently vested with the Integrated Transport Authority, its constituent districts and with Halton Borough Council. The Department for Transport has consistently impressed upon the Liverpool City Region the importance of developing effective governance arrangements that facilitate, for example, links to other policy areas, strong leadership, streamlined structures and the ability to make difficult decisions, linked to clear priorities and a long-term investment programme and is one of the main contributors to the Single Pot to be devolved to City Regions.

7.4 The benefits of the Combined Authority would be to:

- Bring together the strategic decision making powers and processes for statutory functions and investment priorities relating to economic development, regeneration, transport and related initiatives across the natural economic area; strengthening accountability for the delivery of targets and meeting established strategic priorities;
- Remove the need for issues to be considered or ratified by numerous bodies and authorities, which is time consuming and inefficient, requiring multiple reports;
- Increase the effectiveness and efficiency of the related functions by providing integrated decision-making, a clearer read across between the different policy strands of activity and increasing opportunities for co-design and collaboration. For example, vesting multi-modal transport policy functions with the Combined Authority would ensure that policies are integrated, funding is aligned to agreed priorities for economic development, employment and skills, housing; and delivery is efficient;
- Enable all constituent partners to accomplish and achieve a bigger impact for the City Region's residents, businesses and the economy as a whole through a more effective and efficient deployment of tightening public sector resources connecting the City Region's assets to our people and communities;
- Secure long-term effective engagement with business and other sectors, including employment and skills providers and registered housing providers by formalising the existing relationship with the LEP and providing a place for the private sector at the 'top table' of decision making; and
- Provide opportunities to align strategic capacity and support services to deliver economies of scale. For example, combining Accountable Body arrangements and expertise which is currently dispersed across all six local authorities, MITA and the LEP. In the future, this could include the arrangements for devolved major transport funding and the single pot for economic investment, including EU funds and assets as appropriate.

7.5 The practical opportunities to achieve this run both horizontally (across thematic strands) and vertically (within thematic strands). Taken together they illustrate a compelling economic case for a move to a Combined Authority structure of governance. Some of our key proposals are summarised below:

7.6 Strategic decision-making would be brought into one City Region-wide body, with responsibility for strategy setting, the long-term strategic vision, outcomes and the alignment of priorities for the City Region. This would be achieved through the development of a long-term City Region Strategy for delivering the City Region's economic priorities, programmes and projects, co-designed with the LEP to link the City Region's strategic physical assets and 'places' to a broader economic prosperity and 'people' focused agenda. Flowing from the development of the Economic Strategy, and in line with our City Region Deal, would be an integrated Growth Plan and Investment Strategy to deliver the strategic economic vision and outcomes.

7.7 The proposed areas of Combined Authority responsibility are all interdependent. For example, activity to promote employment requires demand-side action to support businesses to create jobs as well as effective transportation policy. As these policy strands are led in different ways by different bodies we have developed partnership and consultation arrangements which do work but often

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result in increased timescales for taking decisions and multiple reporting lines. This approach has also led to overlapping or competing strategy priorities and in some cases an inefficient service delivery landscape that is confusing to both business and other stakeholders. The Combined Authority model provides the opportunity to bring all of this together into one approach to enable a clearer routine policy alignment, including:

- The co-ordination of the international economic strategy for the Liverpool City Region to cover inward investment, trade and export, to particularly capture benefits from the International Festival for Business and operate as a cohesive global entity;
- The co-ordination of inward investment activity across the Liverpool City Region as a whole;
- The co-ordination of strategic place based marketing across the Liverpool City Region as a whole; and
- The delivery of the employment and skills strategy across the Liverpool City Region, embedding the Skills for Growth Agreements within economic strategies.

7.8 The Combined Authority would ensure more effective targeting of strategic interventions to support the City Region's priorities. For example:

- It would also take responsibility for decision making with regard to the Liverpool City Region Investment Framework, to include the Single Local Growth Fund, EU Investment Framework and Growing Places Fund to boost local economic growth. Linked to this it will develop a pipeline of priorities to attract financial and wider support;
- Transport planning is currently vested in two separate Local Transport Plans for the City Region. These would be amalgamated to a single streamlined plan under the new arrangements, providing greater synergy, greater clarity and more effective prioritisation of strategic transport priorities across the City Region; and
- The Combined Authority provides the opportunity to improve the consistency of design and implementation of Local Labour Agreements for regeneration and major employer recruitments to maximise the benefit to the City Region labour market as a whole. The clear expectation set from a Combined Authority level would better reflect the distribution of available employment and skills across the City Region as a whole, and allow businesses to better understand consistent expectations.

7.9 An important function is to ensure a single economic intelligence evidence base is in place to support and inform strategic decision making for economic development, employment and skills, transport and strategic housing is a priority. Given the significant interdependency between these policy themes this would have significant advantages and deliver potential savings – particularly in a reduced requirement to commission external consultants.

8. FINANCIAL DUE DILIGENCE

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- 8.1 During the consultation process the Liverpool City Region authorities have undertaken financial due diligence on the proposal to create a Liverpool City Region Combined Authority. The review has covered the following key issues:
- (i) Proposed draft Scheme;
 - (ii) Transport expenditure;
 - (iii) Assets and liabilities of a Combined Authority;
 - (iv) Transport Levy options for a Combined Authority;
 - (v) Accountable body role(s);
 - (vi) VAT; and
 - (vii) Borrowing powers.
- 8.2 The financial due diligence is subject to the outcome of the consultation, which will continue as the Scheme is finalised for submission to the Department for Communities and Local Government. Further due diligence will also be required if the Government agrees to take the proposals forward and produces a draft Order for consultation, including an operating agreement that the Liverpool City Region authorities would require to support the operation of a Combined Authority. This operating agreement will set out how the Combined Authority will operate on a day to day basis and provide for various protocols on how the various functions will be exercised by it.
- 8.3 The financial due diligence has included ongoing consultation with the Directors of Finance of the Liverpool City Region authorities to ensure that they are satisfied that the proposed scheme would not result in any adverse financial consequences and provides the appropriate powers before submission to the Department for Communities and Local Government.
- 8.4 A key principle of the draft scheme is that ‘the Levy or any Differential Levy shall be that the total contribution from each Constituent Authority for funding transport services for the year does not exceed the equivalent cost for the year as it would have been calculated under the previous arrangements.’ The financial due diligence has included a review of the assets and liabilities of the proposed Liverpool City Region Combined Authority and benchmarked transport services budgets to allow options for a Differential Levy to be developed for a Combined Authority that would allow over time the full integration of Halton into the Liverpool City Region transport levy currently covering the five Merseyside authorities.
- 8.5 A Liverpool City Region Combined Authority, if established, would be expected to be the Accountable Body for many future funding regimes. The due diligence has identified options that would ensure that no additional costs would be incurred, which would also draw upon expertise already within the Liverpool City Region authorities. The due diligence has identified that the final proposal must ensure the accountability of the funding programmes to the Combined Authority, and that agreements are put in place across the partnership to deal with the financial risks, including grant claw back and ineligible expenditure.
- 8.6 The Greater Manchester Combined Authority has encountered VAT reclaim issues, and is currently in negotiation with the Government regarding its VAT status. The Department for Communities and Local Government are confident that the VAT rules should be amended before a Liverpool City Region Combined Authority would be established. However, it would be prudent that the proposed

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City Region scheme requests the appropriate powers to ensure the Liverpool City Region Combined Authority does not find itself in dispute with HMRC like Greater Manchester Combined Authority. Furthermore, there are no VAT partial exemption status issues for Constituent Authorities under the proposed draft Scheme.

9. CONCLUSION

- 9.1 These proposals for a Combined Authority approach to decision making for City Region issues of strategic importance will provide a stable model for the long-term. The introduction of a Combined Authority would put the Liverpool City Region at the forefront of national policy making and ensuring that the City Region is in the best position to access new powers and resources devolved from central Government. It would also provide a transparent and robust decision making process to improve the economic wellbeing of the constituent Local Authorities as part of a stronger Liverpool City Region economy. This model would not have any additional resource implications for constituent Councils and is expected to be at least cost neutral.

Appendices:

- Appendix 1 – Liverpool City Region Strategic Governance Review
- Appendix 2 – Liverpool City Region Combined Authority Scheme
- Appendix 3 – Interim Report of Consultation

APPENDIX 1

**LIVERPOOL CITY REGION
STRATEGIC GOVERNANCE REVIEW
SEPTEMBER 2013**

**Draft for Approval by Constituent Councils and the
Merseyside Integrated Transport Authority**

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1. INTRODUCTION

- 1.1 This report has been prepared on behalf of the Liverpool City Region Cabinet, which brings together the Mayor of Liverpool and Leaders of the other five Local Authorities of the Liverpool City Region: Halton, Knowsley, Sefton, St Helens and Wirral. It sets out the findings from a review of Liverpool City Region strategic governance arrangements relating to 'transport, economic development and regeneration' pursuant to Section 108 of the Local Democracy, Economic Development and Construction Act 2009 and Section 82 of the Local Transport Act 2008, together with the results of a stakeholder consultation exercise.
- 1.2 One of the drivers for this review is to secure greater influence over key levers and resources affecting local growth, including freedoms, flexibilities and funding from Government. The Liverpool City Deal, Liverpool City Region Deal and Local Enterprise Partnership Business Plan and Action Plans seek to capitalise on the City Region's strengths, assets and key sectors to attract investment into and create additional jobs within the City Region. However, they do not go far enough in terms of maximising opportunities to enhance local delivery of national programmes that are also critical to improving local growth, with a risk that other areas with more formal governance arrangements have a significant advantage over the Liverpool City Region.
- 1.3 The purpose of the review is to determine:
 - Whether the area covered by the local authorities of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral can properly be seen as constituting a functional economic area for the purpose under consideration in the review; and
 - Whether the existing governance arrangements for economic development, regeneration and transport are effective or would benefit from changes, including establishing a Combined Authority.
- 1.4 The governance review has considered the options available and in relation to each option, evaluated the likely improvement in:
 - The exercise of statutory functions relating to economic development, regeneration and transport in the area;
 - The effectiveness and efficiency of transport in the area; and
 - The economic conditions in the area.
- 1.5 Having examined these issues the report draws conclusions about the nature of the Scheme being recommended for the Liverpool City Region, what this would mean in practice for future political decision-making for strategic economic development, regeneration and transport and how such arrangements would harness the City Region's latent economic potential and boost local economic growth.

2. EXECUTIVE SUMMARY

- 2.1 The Liverpool City Region has been transformed over the last twenty years with the rejuvenation of Liverpool City Centre, greater utilisation of our indigenous assets and the growth of our key sectors. The City Region's economy is now one of the fastest growing in the UK and has closed the gap on national performance, but there remains a significant challenge to continue this. The economy is still not as large as it needs to be.
- 2.2 Working together with our businesses we have identified the potential to create up to 100,000 jobs in our growth sectors over future years, an opportunity unparalleled in the country; these forecasts will inform the City Region's Growth Plan. The role of Government and the public sector is to support and facilitate this growth where it is needed. This is not just for the benefit of the Liverpool City Region and our communities but also the UK as a whole.
- 2.3 In partnership with the private sector, we are striving to create a thriving, international City Region capitalising on our competitive strengths while ensuring we deliver an environment in which growth can occur. To achieve this, the Liverpool City Region must accelerate the market facing opportunities that exist and ensure that we better coordinate everything we do to increase investment, create jobs, and achieve growth. There is strong evidence that the Liverpool City Region has a latent potential for additional economic output: if the City Region performed at the national average an additional £8.2bn of output would be generated per annum for the national economy.
- 2.4 To do this would involve building on the existing commitments articulated in both the Liverpool City Deal and Liverpool City Region Deal, and by maximising opportunities to enhance the local delivery of national programmes that are critical to improving local growth. Ensuring that clear and effective arrangements are in place to enable long-term strategic decision making at the City Region level is an essential component to drive economic growth. The governance review undertaken is therefore essential in considering what is best for our City Region in particular the appropriate options to achieve this and make recommendations.
- 2.5 Whilst the Liverpool City Region was more robust than many other City Regions at the outset of the recession it continues to face a number of economic challenges that are aggravated by the current global economic climate: productivity is 75% of the national rates, there is a gap of 18,500 businesses compared to national rates, a deficit of 90,000 jobs, a skills deficit at all levels and one in ten residents are in receipt of either jobseekers' allowance or sickness benefits. In combination, these deficits contribute to the average household per-head income being £1,700 less each year than the average nationally.
- 2.6 The six Councils in the Liverpool City Region have a strong track record of working together on areas of mutual benefit, dating back before the Liverpool City Region Development Plan, which was agreed in 2007. Collaborative working has evolved over the years and a number of City Region Boards bring together democratic leadership and senior business leaders, including the Local Enterprise Partnership (LEP). In 2012 the City Region made further strides towards improving its

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governance arrangements, with the establishment of the Local Transport Body. However, these overarching arrangements remain informal without any independent legal status and could be improved, particularly around providing democratic leadership, transparency and accountability. There is a general consensus that the City Region has outgrown these existing arrangements and the time is now right to take the strategic governance arrangements to the next level, moving from informal collaboration to joint strategic decision making.

- 2.7 It was agreed at the Liverpool City Region Cabinet meeting on 21 June 2013 that a review of strategic governance arrangements should be undertaken. One of the drivers for this review was to make sure that the City Region is well placed to secure greater influence over key levers affecting local growth, including freedoms, flexibilities and funding from Government. This approach builds on the commitments identified in the Liverpool City Region Deal which was agreed with Government in Summer 2012.
- 2.8 The approach undertaken for this governance review was in accordance with Section 108 of the Local Democracy, Economic Development and Construction Act 2009. The methodology included a review of evidence, desktop research of current arrangements, a series of workshops and discussions with stakeholders, including constituent Local Authorities, Merseytravel, the LEP, strategic partners and neighbouring authorities and an options assessment based upon this evidence.
- 2.9 The review considered the following options:
- Option 1 – status quo;
 - Option 2 – establishing a Supervisory Board;
 - Option 3 – establishing an Economic Prosperity Board; and
 - Option 4 – establishing a Combined Authority.
- 2.10 After evaluating the current available evidence and the options available to the City Region, the conclusion is that a Liverpool City Region Combined Authority model, including the functions currently exercised by the Merseyside Integrated Transport Authority (MITA) and Halton's Local Transport Authority functions, is the preferred governance option. The Combined Authority would most likely lead to improvements in economic conditions of the area and in the efficiency and effectiveness of service delivery, building on and where necessary simplifying the existing City Region governance arrangements.
- 2.11 The Combined Authority would give legal form to the close working relationships that already exist between the six local authorities, the Integrated Transport Authority and the LEP by creating a sub-regional body with legal personality and a governance mechanism that can act across the combined area. This would allow the City Region to achieve its latent potential for economic growth, thus narrowing the gap in economic output, productivity and income levels with national levels.
- 2.12 A strong Combined Authority, based on the functional economic area, would enable decisions to be made jointly by the democratically elected Leaders and/or the Elected Mayor in each of the six local authorities, together with the Chair of the

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LEP. It would provide a visible, stable and statutory City Region-wide body which could act as the Accountable Body to attract further funding to the Liverpool City Region to support economic growth, alongside any additional powers which may be devolved from Government.

- 2.13 There is a further need to signal to business and Government that the City Region has a clear, consistent and shared view, and that the City Region will act as a single, aligned strategic voice to maximise use of available resources to the benefit of the whole of the City Region, particularly with the challenges being faced around jobs and growth. Consequently there is a need to consider another approach.
- 2.14 In summary, the benefits of operating as a Liverpool City Region Combined Authority present a landmark opportunity for the City Region, building on the proposals in the Liverpool City Region Deal to boost economic growth, and would:
- Bring together the strategic decision making powers and processes for statutory functions and investment priorities relating to economic development, regeneration, transport and related initiatives across the natural economic area; strengthening accountability for the delivery of targets and meeting established strategic priorities;
 - Remove the need for issues to be considered or ratified by numerous bodies and authorities, which is time consuming and inefficient, requiring multiple reports;
 - Increase the effectiveness and efficiency of the related functions by providing integrated decision-making, the integration of the different policy strands of activity and increased opportunities for co-design and collaboration. For example, vesting multi-modal transport policy functions with the Combined Authority would ensure that policies are integrated with economic development, employment and skills and housing, funding is aligned to agreed priorities, and delivery is efficient;
 - Enable all constituent partners to accomplish and achieve a bigger impact for the City Region's residents, businesses and the economy as a whole through a more effective and efficient deployment of tightening public sector resources connecting the City Region's assets to our people and communities;
 - Secure long-term effective engagement with business and other sectors, including employment and skills providers and registered housing providers by formalising the existing relationship with the LEP and providing a place for the private sector at the 'top table' of decision making; and
 - Provide opportunities to align strategic capacity and support services to deliver economies of scale. For example, combining Accountable Body arrangements and expertise which is currently dispersed across all six local authorities, MITA and the LEP. In the future, this could include the arrangements for devolved major transport funding and the Single Pot for economic investment, including EU funds and assets as appropriate.

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- 2.15 The practical opportunities to achieve this run both horizontally (across thematic strands) and vertically (within thematic strands). Taken together they illustrate a compelling economic case for a move to a Combined Authority structure of governance.
- 2.16 Operating as a Combined Authority, strategic decision-making would be brought into one City Region-wide body, with responsibility for strategy setting, the long-term strategic vision, outcomes and the alignment of priorities for the City Region. This would be realised through the development of a long-term Strategy for delivering the City Region's economic priorities, programmes and projects, co-designed with the LEP to link the City Region's strategic physical assets and 'places' to a broader economic prosperity and 'people' focused agenda. Flowing from the development of the Economic Strategy, and in line with our City Region Deal, would be a Single Growth Plan and Investment Strategy to deliver the strategic economic vision and outcomes led by the LEP.
- 2.17 The proposed areas of Combined Authority responsibility are all interdependent. For example, activity to promote employment requires demand-side action on behalf of employers as well as effective transportation policy. As these policy strands are led in different ways by different bodies we have developed partnership and consultation arrangements which do work but often result in increased timescales for taking decisions and multiple reporting lines. This approach has also led to overlapping or competing strategy priorities and in some cases an inefficient service delivery landscape that is confusing to both businesses and other stakeholders. The Combined Authority model provides the opportunity to bring all of this together into one approach to enable a clearer routine policy alignment, including:
- The co-ordination of the international economic strategy for the Liverpool City Region to cover inward investment, trade and export, to particularly capture benefits from the International Festival for Business and operate as a cohesive global entity;
 - The co-ordination of inward investment activity across the Liverpool City Region as a whole;
 - The co-ordination of strategic place based marketing across the Liverpool City Region as a whole; and
 - The delivery of the employment and skills strategy across the Liverpool City Region, embedding the Skills for Growth Agreements within economic strategies.
- 2.18 The Combined Authority would ensure more effective targeting of strategic interventions to support the City Region's priorities. For example:
- It would take responsibility for decision making with regard to the Liverpool City Region Investment Framework, to include the Single Local Growth Fund, EU Investment Framework and Growing Places Fund to boost local economic growth. Linked to this it will develop a pipeline of priorities to attract financial and wider support.

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- Transport planning is currently vested in two separate Local Transport Plans for the City Region. These would be amalgamated to a single streamlined plan under the new arrangements, providing greater synergy, greater clarity and more effective prioritisation of strategic transport priorities across the City Region.
- 2.19 An important function is to ensure a single economic intelligence evidence base is in place to support and inform strategic decision making for economic development, employment and skills, transport and strategic housing is a priority. Given the significant interdependency between these policy themes this would have significant advantages and deliver potential savings – particularly in a reduced requirement to commission external consultants.
- 2.20 A model of joint scrutiny would be introduced in order to scrutinise decisions made at the City Region level in respect of those functions under the remit of the Combined Authority. This would be carried out by a panel (or pool) of Councillors nominated by the six Local Authorities in the Liverpool City Region. The role of Scrutiny would be to:
- Provide a critical friend role;
 - Undertake pre-decision scrutiny reviews into areas of strategic importance for the people of the Liverpool City Region; and
 - Monitor the delivery of the Liverpool City Region Combined Authority Strategic Plan.
- 2.21 The benefits of a Combined Authority as the strategic decision making body to drive economic growth and job creation, with effective engagement of business through the LEP, together with other sectors such as employment and skills providers and registered housing providers is clear. This would allow the City Region to achieve its latent potential for economic growth, narrowing the £8.2bn economic output gap with the UK, creating an additional 18,500 businesses, a further 90,000 jobs and closing the annual £1,700 per-head wealth gap between the average household in the City Region and the average household in the UK.
- 2.22 Operating as a Combined Authority would ensure the work of everyone that impacts on the economy is integrated to add value and better achieve our vision and economic goals. This model would help maximise growth in output and jobs, increase the City Region's productivity and competitiveness, raise skill levels, support a rebalancing of the economy away from relative public sector dependency and stimulate greater employment and growth in the private sector. These measures would make our economy more sustainable in the long-term.
- 2.23 The introduction of a Combined Authority would provide the framework and opportunity to bring together services in new ways that would better benefit businesses and residents in support of economic growth and jobs. The integration of transport as a key driver of economic growth, along with more streamlined approaches to supporting businesses, greater clarity and consistency on investment priorities and improvements to the integration of activities across economic development, transport, strategic housing and employment and skills will contribute

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to achieving the Liverpool City Region's economic ambition and specifically the improved outcomes for economic growth and jobs.

- 2.24 A strong and effective Liverpool City Region Combined Authority would counter misperceptions about public sector collaboration in the City Region and help in engagement with national agencies. It would also create the opportunity for various types of collaborative effort with adjoining and other northern Combined Authorities to put in place a much needed counter-balance to London and to Wales e.g. for devolving the power to let rail franchises for Northern Rail.
- 2.25 In conclusion, these proposals for a Combined Authority approach to decision making for City Region issues of strategic importance will provide a stable model for the long-term. The introduction of a Combined Authority would put the Liverpool City Region at the forefront of national policy making and ensuring that the City Region is in the best position to access new powers and resources devolved from central Government. It would also provide a transparent and robust decision making process to improve the economic wellbeing of the constituent Local Authorities as part of a stronger Liverpool City Region economy. This model would not have any additional resource implications for constituent Councils and is expected to be at least cost neutral.

3. RECOMMENDATIONS

- 3.1 The conclusion from the work undertaken on the strategic governance review recommends that:
- a) In order to deliver the identified economic improvements, the Liverpool City Region should establish a Combined Authority model of governance relating to economic development, regeneration and transport pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009;
 - b) The six Local Authorities of the Liverpool City Region (Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral) agree to be constituent members of the Combined Authority;
 - c) The Chair of the Local Enterprise Partnership is co-opted onto the Combined Authority as a voting member;
 - d) Merseyside Integrated Transport Authority shall be dissolved pursuant to Section 91 of the Local Transport Act 2008 and its functions transferred to the new Combined Authority, along with the provision of such other powers necessary for the Combine Authority to deliver the transport objectives (defined in Section 10.15 - 10.23);
 - e) Local Transport Authority powers should be transferred from Halton Borough Council to the Liverpool City Region Combined Authority; and
 - f) Transitional operating agreements are required in respect of d) and e) above and will be subject to further detailed discussion at the implementation stage.

4. THE LEGAL CONTEXT

- 4.1 Part 6 of the Local Democracy, Economic Development and Construction Act, 2009 (the 2009 Act) enables the creation of Economic Prosperity Boards or Combined Authorities. These are sub-national structures that have separate legal personality to the Local Authorities who come together to create them. These bodies are available to support the effective delivery of economic development and regeneration, and in the case of Combined Authorities, transport.
- 4.2 The 2009 Act sets out the process for the creation of Economic Prosperity Boards or Combined Authorities relating to their constitution and organisation. The legislation is not prescriptive and the detail of how these bodies are established, how they will operate and what their functions will be is left to be determined locally, subject to final approval by the Secretary of State.
- 4.3 The Localism Act 2011 contains powers for the Secretary of State to transfer the powers between authorities (including Combined Authorities) and also to transfer ministerial functions to such authorities. Property, assets and liabilities relating to those functions can also be transferred. Notably, transfers and delegations of additional functions under this legislation can be made at any time and independent from the procedure to create Economic Prosperity Boards or Combined Authorities.

5. METHODOLOGY FOR THE GOVERNANCE REVIEW

- 5.1 At their meeting on 21 June 2013, Liverpool City Region Cabinet agreed to formally review the strategic governance arrangements across the area in the context of the March 2013 Budget and the Government's response to Lord Heseltine's review 'No Stone Unturned in Pursuit of Growth'. The intention was to consider potential options for strengthening governance arrangements to enable the City Region to optimise its economic growth potential.
- 5.2 The statutory process to establish a Combined Authority or Economic Prosperity Board has three main steps:
- First, a review of existing governance arrangements for the delivery of economic development, regeneration and in the case of Combined Authorities transport. This must lead to the conclusion that there is a case for changing these arrangements based upon real improvements;
 - Second, drawing up and consulting on a scheme for the new body upon which the authorities are required to engage to secure support amongst stakeholders. All constituent Councils are required to approve the scheme for submission to the Secretary of State for Communities and Local Government; and
 - Finally, the Secretary of State will consider the scheme and undertake a formal consultation. If satisfied with the proposals, a draft order will be laid before both Houses of Parliament for adoption by affirmative resolution.

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- 5.3 An Officer-led working group was tasked with undertaking the review, comprising Chief Executives and relevant experts from each of the constituent local authorities, Merseytravel and the LEP. This included the following activities:
- **Review of economic evidence** to test the rationale for working across the Liverpool City Region geography as a functional economic area. This included a review of previous strategies and identification of key information to assess the economic conditions of the area;
 - **Desk research** of the current governance arrangements and structures;
 - **Consultation workshops** to collect views and evidence from stakeholders in each constituent authority, Merseytravel and the LEP to consider the functions or activities that could benefit from strengthened collaborative governance arrangements;
 - **One-to-one interviews** with stakeholders including MPs, LEP members, Chambers of Commerce and neighbouring local authorities, to collect views on the draft proposals; and
 - **Options assessment** based on this evidence.

Economic Evidence

- 5.4 Liverpool City Region has developed, over a period of time, a strong evidence base which supports both the need for economic growth and the opportunities to achieve this. The Merseyside Economic Review, produced by the LEP, provides an important reference point in assessing the economic performance of the City Region. In parallel to this governance review, work being led by the LEP to prepare the evidence base for the 'Growth Plan' and to identify the strategic actions and activity to inform the City Region EU Investment Funds framework for 2014 – 2020 has informed and shaped the governance review findings. Crucially, all have been developed in close consultation with each other to ensure that an integrated approach is adopted.
- 5.5 Our starting point when deciding strategic actions and activity has been to identify what the City Region needs. This approach has informed the consultation exercise for the EU Programme development, led by the LEP, which has included engagement with representatives from business, the public sector and academic institutions from across the City Region: some 150 people attended a stakeholder event on 23 April 2013, followed by a number of thematic engagement sessions to capture further evidence and concluding with a final stakeholder event on 3 September 2013.

Stakeholder Consultation

- 5.6 More specifically, stakeholders have provided an important source of evidence for this governance review. On 2 August 2013, the Liverpool City Region authorities, Merseytravel and the LEP began consultation on the review of strategic governance arrangements and on the option for a Liverpool City Region Combined Authority model, including the functions currently exercised by MITA and Halton's Local Transport Authority function. A detailed Report of Consultation summarises how

the authorities and their partners have engaged with stakeholders (including businesses), partners and the public regarding the proposals, through communications, workshops, events and meetings. The report also contains a summary of the findings of this consultation, including the detail of how stakeholders have responded to the proposals.

- 5.7 This consultation exercise was undertaken from 2 August – 6 September 2013 and involved a range of activities aimed at engaging a wide range of stakeholders, partners and members of the public. It has included making materials available on Local Authority and partner websites, and publicising this through media releases, news stories, social networking tools and internal and external briefings. In addition, each Local Authority has targeted consultation materials to a wide range of partners, stakeholders and other interested parties within their area. Specific communications were sent to contacts inviting them to interviews, meetings, events, public drop in sessions and workshops associated with the consultation. A detailed list of all of these activities is included in a final Report of Consultation.
- 5.8 The findings from all this research has been analysed by the Officer-led working group and the information collected used to inform the conclusions set out in this governance review report.

6. THE LIVERPOOL CITY REGION ECONOMY AND VISION

- 6.1 Liverpool City Region has a population of 1.5 million covering the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral with over 37,000 active businesses. The City Region has one of the fastest growing economies in the UK, with growth being driven across four key sectors: (the Low Carbon Economy, the Knowledge Economy, Visitor Economy and the SuperPort). The area is considered to be a functional economic area, with 84% of employed residents working within the City Region (Annual Population Survey 2012): 75% of residents living and working in an area is sufficient to justify a functional (or natural) economic area.
- 6.2 The vision for the Liverpool City Region is to create a thriving, international City Region. Partners are committed to establishing the Liverpool City Region as a top international and national investment location, with global trade, knowledge, manufacturing and tourism relationships. Our status as a thriving international City Region will be enhanced by developing the long-term sustainability of the economy through:
- Accelerating the creation of new business;
 - Supporting growth and improving productivity in local small and medium sized businesses;
 - Making best use of public sector funds to induce private sector business investment and to maximise private sector leverage;
 - Delivering a step change in our economic performance by prioritising our investment activity in transformational areas, such as the Visitor Economy; Knowledge Economy; Liverpool SuperPort and the Low Carbon Economy;

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- Increasing the number of residents who are in work;
- Increasing the scale of economic activity and developing global markets;
- Working with business to produce a demand-led programme of investment in skills and learning;
- Promoting economic growth and meeting the demands of the low carbon agenda;
- Supporting all potential investors with planning, access and infrastructure, sites availability and finance;
- Supporting Atlantic Gateway development including Wirral and Liverpool Waters and the Daresbury Enterprise Zone, incorporating Sci-Tech Daresbury;
- Reducing dependency on benefit systems; and
- Reducing the number of families bringing children up in poverty.

6.3 The Liverpool City Region is a globally connected economic centre with real competitive advantage. Through its Port, airport accessibility, and its international companies and cultural assets it has reach far beyond the UK and will host an International Festival for Business in 2014. World leading companies including Unilever, Jaguar Land Rover, Maersk, NSG (Pilkington), Novartis, Iberdrola and Sony, are major investors in our business friendly and cost competitive environment.

6.4 The City Region has been transformed over the last twenty years with the rejuvenation of Liverpool City Centre, greater utilisation of indigenous assets and the ongoing growth of our key sectors. For example, the area now hosts some of the largest offshore wind farms in the UK, placing the Liverpool City Region at the forefront of the UK's offshore wind industry and a significant global location for offshore wind investment, with CORE (Centre for Offshore Renewable Energy) status. Collectively, our growth sectors represent outstanding opportunities for further growth - both in terms of output and jobs.

6.5 There is a latent potential within the City Region for additional economic activity. If performing at the national average an additional £8.2bn of output would be generated per annum for the national economy. To achieve this we would need to create an additional 18,500 businesses and see a further 90,000 jobs created. From doing this, we can close the annual £1,700 per-head 'wealth-gap' between the average household in the City Region and the average household in the UK - giving our communities the resources they need to be sustainable in the long-term. This will mitigate the cost of child poverty to the City Region, which is current estimated to be £970m per year.

6.6 In the next twelve months alone the City Region will see £1.3bn of construction and development work begin as the Mersey Gateway Bridge in Halton (£600m), the post-Panamax, 'Liverpool 2' deep water berth at the Port (£340m), and the

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redevelopment of the Liverpool Royal Hospital (£330m) all get under-way. With ambitious £10bn plans to develop our Enterprise Zones at Wirral Waters and Liverpool Waters, the ongoing development of Daresbury as a national science asset, and plans to bring forward logistics and development sites across the City Region there is a real opportunity that collectively the City Region can take a huge leap forward.

- 6.7 In achieving our economic vision and objectives, it is imperative that success reaches all parts of the Liverpool City Region. This includes addressing some of the long term structural issues that if not dealt with will hinder the City Region's economic growth, including low business density, significant skills gaps, relatively high levels of unemployment and relatively low productivity.
- 6.8 Whilst the growth secured between 1997 and 2007 has narrowed the gap with the UK on a number of economic indicators, the rebalancing from a public sector dominated economy to a private sector based economy is not happening as quickly as in other areas. An example is that nationally since 2010 the private sector has created 3 jobs for every public sector job lost, whereas in the City Region, 1¼ jobs have been created for every public sector job lost.
- 6.9 The LEP is playing an important role in developing the conditions for economic growth and is working with key partners in business, the local authorities and universities to produce the Liverpool City Region Growth Plan which will underpin the delivery of the City Region's shared vision and ambition. What sets the Liverpool City Region apart from other areas is our unique set of economic assets and the willingness of our partners, especially the private sector, to contribute to achieving an improved economic performance. With over 400 members, no other City Region or LEP area in the country has the same level of private sector buy-in and support as the Liverpool City Region LEP.

7. OUR CURRENT STRATEGIC GOVERNANCE ARRANGEMENTS

- 7.1 Liverpool City Region has long advocated devolution and decentralisation to real economic geographies, the places that drive local economic growth. We are committed to working with Government to do this and to ensure we deliver economic prosperity and opportunity. Our existing governance arrangements and models of partnership working for economic development, regeneration and transport have evolved over a number of years, and the extent of this is evidenced throughout this document. There are currently a number of Boards across the City Region bringing together the democratic leadership and senior business leaders on an informal basis to support our ambition to be a thriving, international City Region, with those particularly relevant to this governance review summarised below.
- 7.2 The 2009 Act does not provide a definition of economic development as this can vary in different areas depending on local circumstances. For the purpose of this review, economic development and regeneration is taken to cover strategic activity related to business support, inward investment, trade and export, strategic housing, and employment and skills, in addition to the transport roles and functions.

Liverpool City Region Cabinet

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- 7.3 The six Councils in the City Region have a track record of working together on areas of mutual benefit, dating back before the Liverpool City Region Development Plan, which was agreed in 2007. Following this, the Liverpool City Region Cabinet was established in 2008 as an advisory body to take forward this and other work. The City Region Cabinet is made up of the Mayor of Liverpool and Leaders of the five Councils. The Cabinet demonstrates high level leadership and has been effective at setting the strategy for the City Region and working in partnership with business leaders to develop the conditions for economic growth.
- 7.4 In 2008 the Cabinet agreed that each Leader/nominated Member would lead on one of the portfolios identified in the City Region governance structure, and each Portfolio Holder would be supported by a Chief Executive acting as Lead Advisor. This led to a series of thematic City Region Boards, across transport, economic development, employment and skills, housing, health, and child poverty and life chances. Many of these Boards bring together the democratic mandate and the contributions of the private sector and other partners.
- 7.5 The City Region Cabinet has been effective as an informal mechanism to foster and develop joint working and responses to City Region level issues; a recent example being the development and agreement of the Liverpool City Region Deal with Government in 2012. It does, however, lack formal underpinning arrangements and as such is unable to take formal decisions.

Liverpool City Region Local Enterprise Partnership

- 7.6 Liverpool City Region Local Enterprise Partnership was established in March 2012: it has a unique structure with over 400 paying members contributing to the success of the Partnership which has 20 years of economic development experience operating previously as The Mersey Partnership. This provides the LEP Company with an income stream which adds value to public funding for economic development, including European monies and sees the private sector playing a direct role in setting the economic agenda for the City Region. The Mayor of Liverpool and the other five Leaders also sit on the LEP Board alongside the private sector.
- 7.7 The LEP also has long-established sector committees and panels around the key sectors for economic growth: Low Carbon Economy, SuperPort, Visitor Economy, as well a Forum for Advanced Manufacturing and an Innovation Board. This provides the opportunity for businesses and public bodies to work together on identifying the key actions and opportunities that will support the delivery of jobs and growth. These structures have proved highly successful at setting joint public/private strategies and action plans helping to secure investment such as the deep water berth at the Port of Liverpool.
- 7.8 The LEP has also been given a set of strategic responsibilities by Government in terms of prioritising investment (such as with Growing Places Funds) as well as setting future economic strategy for the City Region through the requirement for a Growth Plan by Spring 2014 and the determination of European Funding priorities. It is not however an entity that can have Accountable Body status and therefore it cannot receive significant resources from Government.

Strategic Transport

- 7.9 The current transport arrangements in the Liverpool City Region are fragmented in a formal sense. Merseyside Integrated Transport Authority, supported by its Passenger Transport Executive, is the local transport authority for Merseyside and is responsible for developing a Local Transport Plan and managing associated funding streams. The Executive is responsible for delivering passenger transport services across Merseyside. The districts of Knowsley, Liverpool, Sefton, St Helens and Wirral are highway and traffic authorities in their own right with wide ranging powers over the highway network, which includes delivery and enforcement. Halton Borough Council is a local transport authority in its own right and has a separate Local Transport Plan.
- 7.10 As a result of this fragmented structure, there has been long standing and extensive collaboration and joint working on transport issues between City Region Councils, MITA and increasingly the LEP. The establishment of the Local Transport Body to serve the City Region was an approach agreed as part of the Liverpool City Region Deal in 2012. The aligned Local Transport Plans and implementation plans are a further example of this collaboration.

Liverpool City Region Employment and Skills Board

- 7.11 The Liverpool City Region has a track record of working together on Employment and Skills strategy to support the current and future requirements of business. The City Region's Employment and Skills Board, formed in 2010, leads this work on behalf of the City Region Cabinet and the LEP. The strategic framework provided by the existing 10-year Employment and Skills Strategy, the City Region Deal for Jobs and Skills and the clear priorities that these underpin are widely supported by business, public sector partners, colleges and training providers. For example, the Board oversees the City Region's Labour Market Information Service, which communicates economic opportunities to the vast array of colleges, training providers and employment support providers. It also provides governance arrangements for a range of different devolved funding streams, securing over £100m of investment for the City Region in the past few years.

Liverpool City Region Strategic Housing and Planning Board

- 7.12 There is already considerable collaboration on strategic housing priorities and public sector assets aligned to the City Region's economic growth and regeneration ambitions. We have prepared a joint Local Investment Framework, for the delivery of our housing priorities since 2009, and we have secured over £80 million of investment as a result. The Board has recently been working on the Local Investment Framework for 2014–17, which will include a spatial framework, to support the Local Growth Plan. This Local Investment Framework will continue to identify and promote all housing opportunities which support economic growth and will identify all potential funding resources to support the delivery and to bridge funding gaps.
- 7.13 Both the Liverpool City Region Cabinet and LEP Board regularly review the strategic management of the City Region's public sector assets held by the Homes and Communities Agency. This asset base is an important resource for the City Region particularly in providing match funding for the JESSICA regeneration fund.

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8. OPTIONS FOR CHANGE

8.1 To ensure compliance with the relevant legislation, the governance review has been undertaken to establish if a Combined Authority would be likely to bring about an improvement in the City Region in the following:

- The exercise of statutory functions relating to 'economic development, regeneration and transport' in the area;
- The effectiveness and efficiency of transport; and
- The economic conditions in the area.

8.2 The Department for Transport have also confirmed they are looking for partners to address the following headline issues in formulating governance arrangements:

- Political Leadership for Transport at the most senior level;
- Ability to take difficult decisions;
- A long term (ten year) investment programme, focussing on the top priorities for the functional economic area as a whole;
- A local investment budget combining local resource in addition to Departmental resource;
- Evident links to strategies and decision making processes on economic growth, housing and planning; and
- Efficient use of transport resource across the City Region (e.g. joint procurement, maintenance contracts, rationalisation of highway functions etc).

8.3 The review has considered the statutory tests outline in paragraph 8.1 and those in paragraph 8.2 against the following options:

- Option 1 - Leaving existing governance unchanged (status quo);
- Option 2 - Establishing a Supervisory Board;
- Option 3 - Establishing an Economic Prosperity Board; and
- Option 4 - Creating a Combined Authority.

8.4 This review respects there are limits to comparisons between the options, in particular between potential options and the status quo. The existing governance arrangements are context specific and a known quantity, and the alternative potential options are considered at a high level and would inevitably require further development in due course, through an agreed City Region Operating Agreement,

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in order to quantify, for example, their potential impact on efficiency savings, hence the transparency and scrutiny powers.

- 8.5 It is recognised that creating appropriate governance structures alone is unlikely to achieve in full the ambitious vision and growth potential for the Liverpool City Region. The importance of issues of policy design, culture and values is also considered significant. The optimal governance model needs also to confront the need for evidence and vision and ensure that the City Region fully implements its ambitious and challenging plans.

Creating the right governance arrangements for growth

- 8.6 One of the drivers for reviewing the Liverpool City Region's governance arrangements is to secure greater influence over key levers and resources affecting local growth, including freedoms, flexibilities and funding which would otherwise remain under the control of Whitehall. The Liverpool City Deal, Liverpool City Region Deal and LEP Business Plan and Action Plans seek to capitalise on the City Region's strengths, assets and key sectors to attract investment into and create additional jobs within the City Region. However, they do not go far enough in terms of maximising opportunities to enhance local delivery of national programmes that are also critical to improving local growth, with a risk that other areas, with Combined Authorities having a significant advantage over the Liverpool City Region.
- 8.7 For a number of years the City Region has successfully aligned central Government funding, ERDF and private sector investment to support strategic priorities within the wider economy. The development of the Liverpool Arena and Convention Centre generating in excess of £300m to the visitor economy is a prime example of this approach. Working with the LEP, a pipeline of projects spanning investment in infrastructure, business growth, housing, transport and regeneration is in place together with an agreed approach to the joint investment of ERDF, Regional Growth Fund and Growing Places funds. With the new Government funding opportunities and policies, including the Single Local Growth Fund and EU Structural and Investment Funds 2014 - 2020 there is now an added impetus to ensure the Liverpool City Region has the most appropriate strategic governance arrangements in place to deliver agreed priority investments and in doing so to maximise the use of these funds alongside existing resources.
- 8.8 Similarly, whilst the establishment of the Local Transport Body has been seen as a positive step; it is a staging post on the journey, rather than a destination. The Local Transport Body model does not enjoy the legal transport powers or funding regimes that are currently vested with the Integrated Transport Authority, its constituent districts and with Halton Borough Council. The Department for Transport has consistently impressed upon the Liverpool City Region the importance of developing effective governance arrangements that facilitate, for example; links to other policy areas, strong leadership, streamlined structures and the ability to make difficult decisions, linked to clear priorities and a long-term investment programme and is one of the main contributors to the Single Pot to be devolved to the City Region.

Option 1 - Status quo

- 8.9 The Government is clear that City Region structures will require greater collaboration, commitment and strengthened governance arrangements to seize any devolution opportunities that may become apparent in the future including a substantial 'Single Pot'. This is clearly evidenced in Government guidance for LEPs on Growth Deals (July 2013). Demonstrating commitment to the growth agenda and the clear expectation that Local Authorities will put economic development at the heart of all that they do and work collaboratively across the functional economic area is part of the Government's response to Lord Heseltine's review. Maintaining the status quo would set Liverpool City Region behind the other parts of the country that are in the process of strengthening their alignment between decision making on areas such as transport, economic development and regeneration in exchange for greater devolution.
- 8.10 The Liverpool City Region's current non-statutory arrangements leave the space for ambiguity and overlap between the roles and functions of various sub-regional bodies and are dependent on agreements by constituent authorities. There is no formal link between decision making in relation to economic development (including inward investment, skills and housing and regeneration), regeneration and transport. It is, therefore, more challenging for decisions to be aligned in a way that secures maximum economic and social benefit. Strengthening and clarifying these relationships would also increase transparency, accountability and the certainty of local decision making.
- 8.11 Whilst the current arrangements have served the City Region well in the past, changes in national policy coupled with the current economic conditions suggests strongly the City Region is outgrowing its existing governance structures. The voluntary partnership between local authorities is no longer sufficient to underpin the City Region's ambitions and does not meet the expectations of Government.
- 8.12 The City Region, therefore, requires a single democratic and financially accountable model, a legal entity in its own right, to provide the necessary certainty, stability and democratic accountability to allow for long-term strategic economic decisions to be made at the City Region level. In short, no change would mean the Liverpool City Region is disadvantaged both economically and politically.

Option 2- Establishing a Supervisory Board

- 8.13 Following Lord Heseltine's review of government policy, Greater Birmingham working with Lord Heseltine (The Greater Birmingham Project: The Path to Local Growth) have outlined a new form of democratic arrangement to specifically manage the Single Pot of funding; a Supervisory Board model. The Supervisory Board as set out is a Joint Committee operating across the Councils which make up the Greater Birmingham and Solihull LEP Area. This Board comprises all City Region elected authority leaders or mayors and provides the necessary political accountability for managing the distribution of financial resources.
- 8.14 The Supervisory Board is designed to work alongside the private sector led LEP and empower it. The Greater Birmingham LEP Board continues to be responsible for development and implementation of the Local Growth Strategy and strategic economic functions but with no accountability or legal responsibility.

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- 8.15 This model provides Government with the necessary financial accountability for a 'Single Pot' approach, with Birmingham CC identified to act as accountable body for funding. However, it appears to be focused on economic development funding associated with the Greater Birmingham and Solihull LEP and does not include funding associated with transport and regeneration.
- 8.16 The Supervisory Board model allows an area to demonstrate effective decision making and political oversight for the management of funding that is allocated to the LEP. However, it would not address the different geographies in place for transport in the Liverpool City Region.

Option 3 - Establishing an Economic Prosperity Board

- 8.17 A third option is to put in place an Economic Prosperity Board for the City Region. As a statutory body it would share many of the features of a Combined Authority in that it would have legal personality and would provide a strong basis for taking on devolved powers and funding relating to economic development and regeneration, e.g. accountable body status for an economic development Single Pot or EU funding. The Integrated Transport Authority would however remain as a separate body responsible for transport across the Merseyside Councils, with Halton retaining its Transport Authority status. This would run counter to the recent good work being undertaken through the establishment of a Liverpool City Region Local Transport Body, which includes the Mayor of Liverpool, the five other Leaders and the Chair of the LEP.
- 8.18 The Economic Prosperity Board could not raise a levy, nor have borrowing powers to fund investment. Further, fragmented strategic transport and economic development governance at a City Region level would not provide a convincing proposition to Government for taking on with others, including Sheffield and Manchester, the devolved Northern Rail franchises.
- 8.19 An Economic Prosperity Board for the Liverpool City Region would address a number of questions and issues around the governance of economic development, but then would not address the issues around strategic transport governance at the City Region level.

Option 4 - Creating a Combined Authority

- 8.20 The Local Democracy, Economic Development and Construction Act 2009 allows the Secretary of State to create Combined Authorities. They are corporate bodies with their own legal identity which are able to take on the functions and responsibilities of sustainable economic development and regeneration and in addition transport functions available to Integrated Transport Authorities. They are controlled by their members, who are the elected politicians of the constituent local authorities.
- 8.21 A Combined Authority can be set up when two or more contiguous local authorities, covering an area's natural economic footprint, who want to collaborate more closely together, on a voluntary basis to improve economic outcomes. However, one local authority may only be part of one Combined Authority. The LEP's relationship with the Combined Authority is essential and must be designed to co-ordinate their efforts to work towards a common shared vision and Local Growth Plan.

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- 8.22 Government policy confers certain responsibilities to LEPs and requires LEP representation on Local Transport Bodies while economic growth cannot be achieved without the full involvement of the private sector. The Combined Authority could act as an Accountable Body for the funds being invested by LEPs on behalf of local areas further integrating economic growth activity. The LEP can be a co-opted representative on the Combined Authority to enable this integration and co-ordination, which is the intention of the Liverpool City Region Combined Authority.
- 8.23 The benefits of operating as a Combined Authority would ensure streamlined governance arrangements. The Combined Authority would be able to bring together strategic decision making powers into a single body and improve alignment, coordination and delivery of economic development and transport related initiatives. It would provide a visible, stable and streamlined body corporate which Government could be confident in devolving powers and funding to which would again be otherwise controlled by Whitehall. It would have a separate legal entity from its own constituent authorities, be able to undertake its own administrative processes including employing staff and entering into contracts and may have statutory powers and duties conferred on it which it can exercise in its own right.
- 8.24 The maximum benefit would be gained by integrating and bringing together at a strategic level functions across the City Region in relation to economic development, transport, housing and employment and skills. This means that the Local Transport Authority functions that are currently within the Merseyside Integrated Transport Authority and Halton would be transferred to the newly created Combined Authority, along with future consideration of the provision of transport powers and functions for the defined Strategic Highway Network across all Constituent Authorities. This would ensure that the maximum improvements in efficiency and effectiveness are gained.
- 8.25 A Combined Authority is not a merger or a takeover of existing Local Authority functions. Instead it seeks to complement Local Authority functions and enhance the effectiveness of the way they are discharged. In particular, it is the enhancement of decisions and information at a strategic level that are most frequently cited as the advantages of such a body.

Summary

- 8.26 A full evaluation against these tests is presented at Appendix Two and summarised in the following table.

Option	Commentary
Status quo	Maintaining the status quo would provide the basis for economic growth (as it has done for some time) but may not make sufficient improvements in the economic conditions of the area in the timescales required.
Establishing a Supervisory Board	A Supervisory Board would address some of the governance and accountability issues around economic development and regeneration but would still leave the

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Option	Commentary
	issues around transport.
Establishing an Economic Prosperity Board	An Economic Prosperity Board would address some of the governance and accountability issues around economic development and regeneration but would still leave the issues around transport outside the formal joint arrangements.
Creating a Combined Authority	Building on existing arrangements and supporting the LEP, the creation of a Liverpool City Region Combined Authority, with the alignment of accountability, governance and geographies for economic development, regeneration and transport would provide the City Region with the best possible chance of securing significant and lasting improvements in economic development, regeneration and transport. This model will further strengthen democratic and financial accountability.

8.27 On the basis of this options analysis, it is recommended that the Liverpool City Region pursues the creation of a Liverpool City Region Combined Authority to draw together accountability and leadership for strategic economic development, regeneration and transport.

9. CONSULTATION FEEDBACK

9.1 The draft conclusions and recommendations of the review of strategic governance were open to public consultation between 2 August and 6 September 2013. Details of the proposals were sent to strategic partners and over 10,000 businesses in the City Region. The draft conclusions and recommendations were considered by the Cabinets of constituent Councils, MITA and the LEP Board. Targeted briefing sessions were held for businesses, partners and stakeholders, with the draft conclusions and recommendations being placed upon the website of all constituent Councils, Merseytravel and the LEP.

9.2 At the time of writing this report, 76 responses had been received, with feedback being mostly positive. It is expected that this response rate will increase significantly as the consultation period progresses and particularly once the feedback from various consultation events planned for the week commencing 2 September 2013 are processed, including the Local Enterprise Partnership business event.

9.3 A summary of the interim findings is provided in the following table:

Question	Yes	No	Other	No response
Would a Combined Authority for the Liverpool City Region improve the	68%	8%		24%

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Question	Yes	No	Other	No response
exercise of statutory functions relating to economic development, regeneration and transport in the area?				
Would a Combined Authority for the Liverpool City Region improve the effectiveness and efficiency of transport?	63%	8%	1%	28%
Would a Combined Authority for the Liverpool City Region improve the economic conditions in the area?	66%	8%		26%
Do you think the draft Scheme proposed supports the economic rationale for Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral to come together to drive jobs and growth in the Liverpool City Region?	66%	6%	3%	25%
Can you support the establishment of a Combined Authority which will provide strategic leadership on economic development, transport, housing and employment and skills?	72%	16%	3%	9%
Based on the proposed membership of the Combined Authority, will it be able to provide strong strategic leadership to drive jobs and growth in the City Region?	53%	10%	12%	25%
Do you feel the proposed links between the Combined Authority and the Local Enterprise Partnership would be strong enough?	38%	3%	6%	53%

9.4 In addition to the quantitative analysis undertaken, the detailed comments made in association with responses have been recorded and summarised. This includes analysis of the general feedback submitted by email or letter, but also analysis of the additional commentary added to the consultation feedback form. Examples of some of the comments received include the following:

The exercise of statutory functions relating to ‘economic development, regeneration and transport’ in the area

“Support for the proposed structure as allowing funding opportunities to be exploited and enable efficient service delivery for residents, businesses and investors”

“Many decisions and policies have cross-boundary impacts, and communities straddle electoral boundaries, so there should be a joined up approach”

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“Existing informal arrangements with limited accountability have been outgrown. The creation of the Combined Authority will build on what has already been achieved, progress regeneration, and supported by the relevant statutory framework will enhance opportunities to provide strategic direction”

The effectiveness and efficiency of transport

“The Combined Authority will help place transport considerations at the heart of economic development, regeneration and visitor economy considerations. This will maximise efforts to align proposals and funding sources and support delivery of shared outcomes”

“Support for the creation of a Combined Authority with multi-modal transport responsibilities. Welcome bringing strategic traffic and highway management / coordination functions together, as will deliver integrated transport strategy”

The economic conditions in the area

“Support for the proposals on the basis that the authorities together will have a stronger voice than individually, and will provide a basis for the area to be heard by Government”

“To achieve the vision authorities must work collaboratively to promote economic growth. No one authority can act in isolation and the region possesses a latent potential to improve its economic output”

“Liverpool or Merseyside has a greater brand recognition as a larger strategic vehicle, which should help with national or international strategic issues and marketing”

10. PROPOSED ROLE AND FUNCTIONS OF THE LIVERPOOL CITY REGION COMBINED AUTHORITY

- 10.1 The Combined Authority would bring together key strategic decision making powers into a single body, exercising appropriate strategic transport and economic development functions to maximise the impact of what we do. It would provide a visible, stable and statutory body, which could act as the Accountable Body for the City Region to support the functions it is discharging and could attract devolved powers and resources from Government to facilitate local economic growth. This model of governance would not have any additional resource implications for constituent Councils and its operation would be expected to be at least cost neutral.
- 10.2 The remit of the Combined Authority for the Liverpool City Region would be strategic economic development, regeneration, transport, strategic housing and employment and skills functions that can be better delivered collaboratively across the Liverpool City Region and the Combined Authority would do this through setting an Economic Strategy for the City Region. The Combined Authority would remain a lean, focused decision making body, with responsibility over those strategic issues where it is mutually beneficial for Local Authorities, MITA and the LEP to work together.

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- 10.3 Each Constituent Authority would be represented by one member of its Cabinet who would be the Leader or Elected Mayor, and the intention is that the Chair of the LEP would be co-opted as a member of the Combined Authority. Further members could be op-opted in due course as appropriate with unanimous agreement.
- 10.4 The City Region Combined Authority would discharge thematic functions through the following arrangements:

Function	Arrangements
Strategic Economic Development	Liverpool City Region Local Enterprise Partnership
Strategic Transport	Liverpool City Region Transport Committee
Strategic Housing and Land Based Assets	Liverpool City Region Strategic Housing and Planning
Strategic Employment and Skills	Liverpool City Region Employment and Skills Board

- 10.5 A Combined Authority would improve the effectiveness of the existing strategic economic development, regeneration, transport, strategic housing and employment and skills functions through clear, transparent and consistent leadership across the City Region as a whole. These areas have shared priorities which could be more effectively delivered through consideration of interrelated influences, implications and dependencies at a City Region level. Taking a strategic overview would facilitate the alignment of thematic priorities and reduce the need for duplicative processes and reporting arrangements that currently require multiple documents to be approved by different organisations.
- 10.6 It is expected that the Combined Authority would deliver a number of efficiencies and economies of scale to its constituent members. The City Region has some strategic capacity to support the functions around employment and skills, economic development and transport that is dispersed across a range of different organisations. The advent of a Combined Authority for the City Region provides an opportunity to review these arrangements and provide the strategic capacity not just to continue delivery at a time of increased pressure on budgets, but to seek greater effectiveness and outcomes through increased co-ordination and/or integration of activities, embedding a wider perspective on all delivery.
- 10.7 For example, transport planning is currently vested in two separate Local Transport Plans for the Liverpool City Region. These would be amalgamated to a single, streamlined plan under the new arrangements, providing greater synergy, greater clarity and more effective prioritisation of strategic transport priorities across the City Region. The creation of a single Local Transport Plan (or successor) allows significant efficiencies to be made by removing duplication of effort in developing separate plans for Merseyside and Halton.
- 10.8 Another example would be Economic Intelligence and Labour Market Analysis: The City Region currently has a range of contracted and in house solutions to

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understand our economy and provide the evidence base to inform strategy, including employment and skills. Significant work has been undertaken to bring consistency in data-sets together – ensuring for instance we can invest in a single source of econometric projections. A Combined Authority could go much further and potentially bring together the economic analysis of the LEP with the Labour Market Information Service of the ESB and other intelligence functions. Similarly, there is scope to align and/or amalgamate the Strategic Housing Market Assessments and Housing Need analysis currently undertaken on an individual Local Authority footprint.

- 10.9 One of the benefits of the Combined Authority would be to deliver improvements to the economic condition of the area as a result of the integrated approach being proposed. A specific example would be through supporting delivery of more localised priorities such as transport improvements to assist cross boundary needs of economic development in neighbouring districts. An example is the delivery of improvements to the junction of the Knowsley Expressway (A5300) and Speke Road (A562) in Knowsley, which would facilitate and support opportunities for economic growth at 3MG (Halton), the mayoral development zone at Speke/Garston (Liverpool) and the expansion of Liverpool Airport (also Liverpool). In turn, the delivery of this infrastructure also improves the accessibility of the employment opportunities to Knowsley residents. Other examples are provided in the following sections.

Strategic Economic Development

- 10.10 The Combined Authority would add value to what we do already in terms of economic development in three important respects:
- Responsibility and accountability for setting the strategic vision, outcomes and agreeing priorities for the Liverpool City Region (single Evidence Base, Single Local Growth Plan, Single Investment Framework, developing a strategic pipeline of projects);
 - Improved ability to target resources – (acting as Accountable Body for Single Investment Fund for devolved funding, responsibility for making decisions on the allocation of those resources, aligning funding streams); and
 - Improved co-ordination of City Region wide activities (place based marketing, inward investment and international strategy etc).
- 10.11 This would result in the Liverpool City Region having for the first time a single, aligned strategic voice to maximise use of available resources to the benefit of the whole of the City Region and this would deliver tangible benefits, particularly in addressing the challenges being faced around jobs and growth. This approach is explored in more detail in the following sections.
- 10.12 The Liverpool City Region Deal contained a commitment from the City Region to develop a single investment framework. This is designed to attract investment and businesses to the City Region, exploit infrastructure and major projects and take opportunities to deliver a step-change in the economy. The Investment Framework will prioritise activities across a range of funds, including the Single Local Growth Fund and Growing Places Fund, to ensure that the funded activities will make the

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biggest impact on the wider City Region economy. Through the work already undertaken in the City Region to develop the EU Investment Funds framework for 2014 – 2020 we are setting strong foundations to demonstrate how we link EU thematic priorities, through the Strategic Growth Plan to local investment and action.

10.13 The more challenging economic conditions and competition from other European cities both underline the need for enhanced and strategic City Region level working on economic development matters and a need to enhance strategic commissioning and local delivery of national programmes that are critical to improving local growth. These opportunities encompass the following:

- Setting the strategic economic vision, outcomes and aligning strategic priorities for the Liverpool City Region;
- Ensuring there is a single evidence base in place to support and inform strategic decision making;
- Agreeing an integrated growth plan and investment strategy to deliver the strategic economic vision and outcomes;
- Co-ordinating the international economic strategy for the Liverpool City Region to cover inward investment, trade and export, to particularly capture the benefits of the International Festival for Business;
- Co-ordinating inward investment activity across the Liverpool City Region as a whole;
- Co-ordinating strategy and activity for place based marketing across the Liverpool City Region as a whole;
- Developing a strategic pipeline of priorities to attract financial and wider support and be ready for new funding calls;
- Making decisions with regard to the Liverpool City Region Investment Framework, to include the Single Local Growth Fund, European funding and Growing Places Fund; and
- Acting as the accountable body, e.g. for devolved major transport scheme funding and the single pot for economic investment, including EU funds and assets as appropriate.

10.14 Additional areas of work that could be included are:

- Co-operation in delivery of key strategic infrastructure projects which will facilitate economic development across the Liverpool City Region including Port of Liverpool, Liverpool Airport and Mersey Gateway;
- Agreement to safeguarding of strategic transport routes (both highways, rail and waterways) across the Liverpool City Region, particularly where these have been proven to have strategic economic advantages for businesses, employees and visitors;

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- Agreement of complementary economic investment priorities across the Liverpool City Region, including Enterprise Zones, and facilitate improvements to transport networks accessing these areas.
- Potential to improve transport and land use integration through sub regional consideration and alignment of future priorities, together with identification of targeted investments and cost effective solutions with maximum benefit; and
- Opportunities for a greater City Regional influence in accessing and allocating available funding from Government, together with investment from other sources.

Strategic Transport

- 10.15 There is a key role for transport to play within a wider integrated approach to economic development, regeneration, employment and skills and strategic housing and ensuring that these decisions are taken in full accordance with their transport implications, and equally, ensuring that transport fully supports wider policy objectives. A new model for transport would be established through the Combined Authority that takes in policy, co-ordination and funding functions, fully integrating transport strategy and operations across the six local authorities. This would include setting the long term strategic transport vision and outcomes for the City Region, and agreeing the development and approval of a single City Region Local Transport Plan. There would be the opportunity to align transport investment with wider economic development activity within the City Region, as part of a long term transport investment strategy as part of the Single Local Growth Plan.
- 10.16 The Combined Authority would fulfil the role of a Transport Authority for each of the six local authorities, replacing the existing Merseyside Integrated Transport Authority and Halton Borough Council's role as a Local Transport Authority. Individual Local Authorities would continue to exercise delivery functions, for example in respect of highways management, but would operate within an agreed framework and plan established through the Combined Authority. The Combined Authority will also contribute to strategic traffic and highway management co-ordination across the City Region.
- 10.17 The Combined Authority would also exercise any function of the Secretary of State delegated to the Combined Authority by the order of the Secretary of State pursuant to section 86 of the Local Transport Act 2008 (LTA) and section 104(1)(b) LDEDCA. Such functions will be exercised subject to any condition imposed by the order.
- 10.18 The Combined Authority as a levying body under section 74 of the Local Government Finance Act 1988 would have the power to issue a levy to its constituent authorities in respect of the expenses and liabilities of the Combined Authority which are reasonably attributable to the exercise of its functions relating to transport. However, during the transitional stage the complexities in addressing the transport responsibilities and the cost of transport services between Halton Borough Council and five Merseyside authorities are such that a single transport levy would not be appropriate.

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- 10.19 The Combined Authority would, during this transitional phase, issue a levy on a basis that would accommodate the differentials in the cost of delivering transport services in the formerly separate local transport areas of Merseyside and Halton. The core principle throughout being in respect of the levy that the total contribution from each authority of funding transport services for the year does not exceed the equivalent cost for the year as it would have been calculated under previous arrangements.
- 10.20 The Combined Authority would have responsibility for a single, defined and agreed, strategic highway network, and would wish to discuss with Highways Agency the transfer of routes and funding from its network responsibilities. This would be an improved offer to highway users to be provided.
- 10.21 There are efficiencies in transport that could be delivered, which are primarily linked to a more consistent approach to service delivery which would be considered by the Combined Authority once it was fully operational. This could include transport enforcement, highway development control and multi modal delivery.
- 10.22 Similarly, a Combined Authority would enable delivery to be more effectively targeted at supporting the Liverpool City Region freight agenda, logistics is one of the transformational economic activities under the LEP. Under the new model, the Combined Authority would be responsible for co-coordinating freight activity across the City Region and deploying funds, aided by its strategic responsibilities for the strategic road and rail network. This would enable funds to be targeted as required for:
- The development of technical or feasibility studies, leading to a pipeline of 'shovel-ready' schemes;
 - Rail-based improvements to facilitate freight transfer; and
 - Road based improvements on the strategic freight network (e.g. traffic management, highway and road safety improvements and the maintenance of the network).
- 10.23 The Passenger Transport Executive would become a Transport Executive Body of the Combined Authority. It is proposed that initially the following passenger transport delivery arrangements would remain unchanged with Halton Borough taking responsibility for delivery of these arrangements in Halton, for a transitional period and that the levy be adjusted accordingly to reflect this:
- Information Provision;
 - Infrastructure Delivery;
 - Commissioning/procurement of subsidised bus services; and
 - Concessionary Travel.

Strategic Housing and Land Based Assets

- 10.24 There is a role for strategic housing to play within this integrated approach to economic development, regeneration, skills and transport and to make a genuine difference to achieving economic growth in the City Region. Liverpool City Region has an established track record of working together on housing and regeneration since 2007. The City Region is currently drafting a Strategic Local Investment Plan which is designed to identify both commercial and housing development

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opportunities which could be realised within a 3-year timescale. By working together across all these themes, Liverpool City Region aims to deliver new models of investment for housing and regeneration and implement priorities across Liverpool City Region.

10.25 A Liverpool City Region Local Investment Plan is being prepared which explores new and innovative ways of attracting both public and private investment for housing and regeneration and outlines the challenges and opportunities within the City Region. Working together, the Local Authorities and the LEP, have prepared an evidence base which assesses housing need, within the context of local housing markets both private and social which aims to promote community stability. We have also prepared a schedule of key strategic sites available for regeneration. This work will underpin the Local Growth Plan.

10.26 The specific activities the Combined Authority to discharge on strategic housing and land based assets are:

- Setting the long-term strategic vision for housing and regeneration investment to support economic growth;
- Working with the private sector to prepare a prospectus for housing investment in the City Region, based around shared risk;
- Agreeing a housing spatial plan and long-term investment strategy as part of the Single Local Growth Plan;
- Identifying relevant housing interventions that will facilitate and support potential economic growth and which will support vulnerable neighbourhoods;
- Increasing affordable housing supply across the City Region;
- Prioritising opportunities for supported accommodation to support the most vulnerable people in the City Region; and
- Identifying public assets that can be used to increase access to a supply of development land to support housing growth

10.27 There are additional areas for improved delivery in housing and land based assets which the Combined Authority would be able to pursue, which have informed the governance review findings and are summarised below.

10.28 Clear and Unified priorities: to succeed in an objective of promoting new housing and business development, the City Region will need to be both innovative and flexible and prioritise resources against key opportunities. This means attracting investment in the commercial sites and property schemes in the city region. In the case of business investment, this plan recognises that a wide range of factors influence the location choices of investors. These include labour market profiles and catchment, cost, connectivity to customers and markets and links to educational or research institutes. The extent to which one particular factor plays a dominant role is dependent upon individual business requirements. However,

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without a range of deliverable and high quality sites and properties, the opportunity to pitch and build relations with investors will be lost.

- 10.29 The purpose of a Strategic Investment Plan is to review the trends, and consider how this should influence the bringing forward of a series of prioritised sites for both housing and commercial development. This is not a 10 year strategic planning exercise, it is a plan targeted at identifying how the City Region should spatially prioritise to capture available investment opportunities over the next three years.
- 10.30 A number of commercial sites, capable of hosting economic activity in the next 3 years, together with major sites delivering economic growth over a longer period, have now been identified. This includes office space, small business space, light industrial space, distribution scale sites, industrial land and multi phase investment sites.
- 10.31 Strengthened accountability and monitoring: The Homes and Communities Agency (HCA) are working with Liverpool City Region on all emerging and new investment streams. A single monitoring arrangement has been established across the Liverpool City Region. The Combined Authority would take responsibility for the delivery of targets and meeting the established strategic priorities to the communities they serve. It also affords an opportunity to make a much greater case for the devolution of powers and national resources linked to economic development and housing based on a robust analysis of trends in global and national economics, business, housing and commercial development.
- 10.32 More effective targeting of resources: Liverpool City Region working together with HCA has identified a series of emerging and new investment streams which will be matched against priorities at a City Region level. This will ensure better value for money in delivery and improved levels of effectiveness.

Employment and Skills

- 10.33 The Liverpool City Region has a track record of working collaboratively on Employment and Skills activity across the functional economic area. It is envisaged that this would continue, with the Combined Authority agreeing the long term Employment and Skills Strategy for the City Region. There are number of areas where a Combined Authority could bring more consistency and integration to existing informal arrangements for employment and skills and in doing so demonstrate more effective deployment of resources and economies of scale. In particular, through the co-ordination and oversight of employment support services in the Liverpool City Region which is currently fragmented and the priorities nationally determined.
- 10.34 Jobcentre Plus and Employment Support: The City Region benefits from having a co-terminus set of boundaries with Jobcentre Plus which presents a significant opportunity to explore how this partnership could develop further under proposed Combined Authority arrangements. With the support of Government we propose the development of a new model of delivery to benefit our residents and businesses, and improving the economic conditions of the area through a radical redefinition of Local and National approaches to the commissioning and delivery of employment support services. This would be built around the following areas of joint venture.

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- 10.35 A Single Commissioning Geography: In line with local commitments we propose making the commissioning geography of services to help promote employment as being the Liverpool City Region. The Combined Authority then becomes the default commissioner – or at the very least a statutory co-commissioner of services with Central Government – enabling the pooling of investment and the delivery of additional economies of scale across the natural economic area.
- 10.36 Clear and Unified Strategic Priorities: A Combined Authority brings together a variety of policy strands which on its own reaps significant dividends. This increased and cross-cutting strategic coherence is a positive step forward, yet nationally-driven priorities may not always provide the best response to the needs of our natural economic area. We would like to propose to Government a model of devolving strategy-setting responsibility for Jobcentre Plus to the Combined Authority. This will hold together local and national public-sector investments in a single agreed strategy and eliminate the current overlap and potential for duplication in delivery. Jobcentre Plus would remain a full part of the national network but its priorities and ability to target its resources would be agreed locally between Jobcentre Plus and the Combined Authority.
- 10.37 Strengthened Accountability: DWP delivered and Commissioned Services are currently accountable to Whitehall and ultimately national Ministers. A Combined Authority would present the opportunity to increase the accountability for the delivery of targets and meeting established strategic priorities to the communities they serve. There are a variety of ways that this could be enacted but key to them all would be a requirement for key Leadership figures to report into the Combined Authority to report progress against the delivery of Local Strategic Priorities. This wouldn't necessitate a change in contracts or organisational structures but would give a strong role for local areas to determine whether their strategic priorities are being met.
- 10.38 Apprenticeships: The Liverpool City Region is one of the leading areas of England in the promotion and delivery of Apprenticeships. Councils play an active role in encouraging their take up by businesses and even co-invest with Central Government to create financial incentive packages for businesses. Pricing of these is currently set by various national and local bodies, with different claim processes and access points. This inadvertently creates a confusing picture for employers and instances of paying different amounts for the same outcomes. A Combined Authority would improve the efficiency and effectiveness of this process by formally controlling and co-ordinating the pricing structure of Apprenticeships and other employment and skills incentives thereby streamlining the system and making it more accessible and understandable for employers, providers and residents alike.
- 10.39 Tackling very specific shared Skills Challenge: Our local jobs and skills challenges are quite specific and differ from the national picture considerably. An example of this is how our Level 2 Skills Gaps are now close to the national average whereas Level 3 and above diverge considerably. As individual partners we are less well equipped to deliver activity at the scale required to make headway in tackling an issue that is not as much a universal country-wide issue. Individual partners can undertake some activity but given the fact that our businesses and residents rarely reside in the same borough as each other, as demonstrated by some 4 million transport trips which start and finish across the City Region on a daily basis, we

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could do much more if strategies such as this were conducting to address this cross-over and fit with our natural economic area. This is particularly important given the potential business and jobs growth predicted over the next 10 years.

10.40 More effective targeting of resources to meet shared priorities: An integrated offer to individuals and employers will only be effective if it is doing the right thing for the right people in a targeted way that maximised the use of limited resources. A Combined Authority model would facilitate this, including

- Developing work focused approaches for vulnerable people and communities: this would build on and accelerate the current employment support for individuals and ensure that there are linkages with other activities, such as the Government's Troubled Families programme;
- Ensuring transport accessibility improvements are targeted effectively to assist in increasing the number of City Region residents taking advantage of the employment and skills opportunities available to them across the City Region;
- Building on the Local Sustainable Travel Fund programme, co-design with individuals, tailored and personalised support to overcome barriers to accessing employment and skills services. For example considering how the accessibility, affordability and availability of public transport, combined with low travel horizons can impact on individual travel choices. This would give individuals more influence over the support they receive;
- Continuing to be clear on the skills needs of businesses now and in the future for schools, colleges, learning providers and universities to inform curriculum design and careers education, and for providers of information, advice and guidance to inform discussions with individuals through the established Skills for Growth approach;
- Including jobs outcomes within wider economic developments, as part of a more integrated approach to securing growth; and
- Sharing data across partners can facilitate the targeting of activity that works as well as enable the evaluation of different interventions. Targeting at the right spatial level across the City Region is also critical to making a real difference in the areas where support is most needed. It has the advantage of increasing the amount of resource per capita in target areas and potentially increasing the effectiveness of delivery.

10.41 Joint Tracking: In accordance with duty under Section 12 of the Education and Skills Act 2008 Local Authorities have a statutory responsibility to record and report the education, training and employment status of their 16-18 year old residents to the Department for Education on a monthly basis. There is a significant amount of cross borough movement of young people in the City Region, which requires any tracking service to work across borough boundaries. This service is currently contracted out to Connexions and there is an option to bring a joint service in-house under the remit of the Combined Authority. This would bring efficiencies in infrastructure costs and in collecting data from schools and education and training providers. It would also provide greater synergy with other local authority data collection processes, and authorities will be able to better assess the impact of

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services to young people, including developing a better understanding of how public transport access is impacting on post 16 learning choice, which is often cited as the biggest barrier to continuing education post 16 for many young people across the City Region. In addition there could be opportunities to extend the tracking system to aid the 19-24 youth employment agenda and realise further efficiencies.

- 10.42 The Combined Authority provides the opportunity to improve the consistency of design and implementation of Local Labour Agreements for regeneration and major employer recruitments to maximise the benefit to the City Region labour market as a whole. The clear expectation set from a Combined Authority level would better reflect the distribution of available employment and skills across the City Region as a whole, and allow businesses to better understand consistent expectations.
- 10.43 Similarly, there would be scope to simplify and rationalise our approach to employer engagement. In return for a strengthened and more locally embedded Jobcentre Plus, all constituent members of the Combined Authority would operate a principle of increased collaboration and vacancy sharing between Councils and Jobcentre Plus, particularly on large-scale recruitments. This would enable us to stretch resources and opportunity further and eliminate instances of the public sector competing with itself to work with businesses for vacancies. This collaborative approach could also stretch further to ensure the inclusion of Work Programme contractors where this is of mutual benefit.
- 10.44 The City Region has high levels of children and young people living in poverty, with around 1 in 3 living in relative poverty according to the measure used by Government. The view of the City Region is that the best way out of poverty for families is to create more and better jobs, and to ensure that residents are prepared for these opportunities. This is addressed through the work in the City Region on Employment and Skills, which is held to account by the City Region's Child Poverty and Life Chances Commission.

Enabling activities

- 10.45 A model of joint scrutiny would be introduced in order to scrutinise decisions made at the City Region level in respect of those functions under the remit of the Combined Authority. This would be carried out by a panel (or pool) of Councillors nominated by the six Local Authorities in the Liverpool City Region.
- 10.46 The role of Scrutiny would be to:
- Provide a critical friend role;
 - Undertake pre-decision scrutiny reviews into areas of strategic importance for the people of the Liverpool City Region; and
 - Monitor the delivery of the Liverpool City Region Combined Authority Strategic Plan.
- 10.47 The scrutiny function would be supported by the six Local Authority scrutiny leads, providing guidance to the scrutiny panel on its work programme, advice on scoping reviews and ensuring appropriate information and advice was made available during the reviews, where appropriate through expert witnesses.

- 10.48 There is an expectation that the move towards a Combined Authority will enable the City Region to attract additional income to support economic growth and jobs. This funding will be granted to the City Region as a whole for use on a range of different activities and as such an organisation will need to act as Accountable Body for that funding. This funding will be both reactive to funding announcements and proactive, based upon implementing the City Region's agreed Economic Strategy and Growth Plan.
- 10.49 It is proposed that the Combined Authority would become the default Accountable Body for City Region level schemes once in operation. It could also become the Accountable Body for geographically focused schemes should an individual organisation not wish to do so. Existing Accountable Body arrangements would continue until their end point, as there is no rationale to novate current agreements.
- 10.50 It is ultimately the responsibility of the Accountable Body to assure itself that decisions are made in a robust and coherent fashion, relevant outcomes are achieved and grant is spent in line with the relevant funding rules and regulations. The Combined Authority therefore needs to have in place relevant staffing resources, systems and procedures to deliver this function. It is recommended that these resources, systems and procedures should be developed by building on the existing expertise within the City Region through secondments, transfer of learning etc. The expertise contained within the Combined Authority team could then be called on to support the Accountable Body needs of individual partners and may lead to some efficiency across the partnership. It is proposed that this team would be based in Merseytravel given their existing role in administering transport funding across the City Region.
- 10.51 The Combined Authority would need to have a consistent, professional and responsive secretariat function if it is to achieve its objectives and deliver improvements in economic conditions within the City Region. This would be led by Knowsley Council, who also provide a degree of secretariat support to the LEP as well as the Employment and Skills Board.
- 10.52 Should the proposal to create a Liverpool City Region Combined Authority be approved by Government, it would not have any additional resource implications for constituent Councils. The approach being proposed would build on and focus the capacity already in place in different organisations across the City Region. In this regard, any additional costs arising from the new arrangements would be offset by efficiencies and savings and the establishment of the Combined Authority would therefore be expected to be at least cost neutral in overall terms.

11. CONCLUSIONS

- 11.1 It is evident that the existing governance arrangements in the Liverpool City Region can be improved. There is a further need to signal to businesses and Government that the City Region has a clear, consistent and shared view, and that the City Region will act as a single, aligned strategic voice to maximise use of available resources to the benefit of the whole of the City Region, particularly with the challenges being faced around jobs and growth. Consequently there is a need to consider another approach.

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- 11.2 The City Region has worked well to date through a series of ad-hoc and informal governance arrangements, but these current governance arrangements, not being optimal, may be one of the reasons why the Liverpool City Region economy is not achieving its full potential. As an example, there is no single strategic transport and economic development decision making body at the Liverpool City Region level.
- 11.3 The options that are currently available to the City Region have been considered, and the option that would most likely lead to improvements in economic conditions and in the efficiency and effectiveness of service delivery is the establishment of a Liverpool City Region Combined Authority. This would build on and where necessary simplify City Region governance arrangements.
- 11.4 Based on the evidence presented, a strong Combined Authority would be able to bring together key decision making powers into a single body, exercising appropriate strategic transport and economic development functions to maximise the impact of what we do. It would provide a visible, stable and statutory body, and could act as the Accountable Body for City Region funding to support long-term economic planning and could attract devolved powers from Government to facilitate local economic growth. It would co-ordinate locally the different processes of Government so that they are more efficient.
- 11.5 A Combined Authority would be a strategic decision making body, facilitate closer partnership working to drive economic growth and job creation and ensure long-term effective engagement with business, through the LEP, and other sectors including employment and skills providers and registered housing providers. This would allow the City Region to achieve its latent potential for economic growth, thus narrowing the £8.2bn economic output gap with the UK, creating an additional 18,500 businesses, a further 90,000 jobs and closing the annual £1,700 per-head wealth gap between the average household in the City Region and the average household in the UK.
- 11.6 The introduction of a Combined Authority would provide the framework and opportunity to bring together services in new ways that would better benefit businesses and residents in support of economic growth and jobs. The integration of transport as a key driver of economic growth, will contribute to achieving the Liverpool City Region's economic ambition and specifically the improved outcomes for economic growth and jobs identified in paragraph 11.5. It would also result in more streamlined approaches to supporting businesses, greater clarity and consistency on investment priorities and improvements to the integration of activities across economic development, transport, strategic housing and employment and skills.
- 11.7 Operating as a Combined Authority would ensure the work of everyone that impacts on the economy is integrated to add value and better achieve our vision and economic goals. Put simply, this model would help maximise growth in output and jobs, increase the City Region's productivity and competitiveness, raise skill levels, support a rebalancing of the economy away from relative public sector dependency and stimulate greater employment and growth in the private sector. These measures would make our local and national economy more sustainable in the long-term.

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- 11.8 In addition, a strong and effective Liverpool City Region Combined Authority would counter misperceptions about public sector collaboration in the City Region and help in engagement with national agencies. It would also create the opportunity for various types of collaborative effort with adjoining and other northern Combined Authorities to put in place a much needed counter-balance to London and to Wales e.g. for devolving the power to let rail franchises for Northern Rail.
- 11.9 It can therefore be concluded that, for the functional economic area of Liverpool City Region, a Combined Authority model of governance if created and incorporating Integrated Transport Authority functions, would be the best option for securing sustainable economic growth.

Appendices

Appendix One: Legislative Requirements of Governance Review

Appendix Two: Evaluation of Options against Tests

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APPENDIX ONE

LEGISLATIVE REQUIREMENTS OF GOVERNANCE REVIEW

Local Democracy, Economic Development and Construction Act 2009

Schedule 108 Review by authorities: new combined authority

(1) Any two or more of the authorities to whom this section applies may undertake a review of—

- (a) the effectiveness and efficiency of transport within the area covered by the review (“the review area”), and
- (b) the effectiveness and efficiency of arrangements to promote economic development and regeneration within the review area.

(2) This section applies to—

- (a) a county council in England;
- (b) a district council in England;
- (c) an EPB;
- (d) an ITA.

(3) Where the review is being undertaken by a county council, the review area must include—

- (a) the areas of one or more district councils that are within the area of the county council, or
- (b) if there are no such areas, the area of the county council.

(4) Where the review is being undertaken by a district council, the review area must include the area of the district council.

(5) Where the review is being undertaken by an EPB, the review area must include one or more local government areas within the EPB’s area.

(6) Where the review is being undertaken by an ITA, the review area must include one or more local government areas within the ITA’s integrated transport area.

(7) The review area may also include the area of any county council or district council in England that does not constitute or fall within the area of an authority undertaking the review.

APPENDIX TWO

EVALUATION OF OPTIONS

	Legislative tests: would there be an improvement in these areas?		
	Exercise of statutory functions relating to economic development, regeneration and transport	Effectiveness and efficiency of transport	Economic conditions in the area.
Status quo	Improving joint working may lead to marginal gains but these are expected to be insignificant.	Current joint working is partially effective and the current duplication would continue.	The economic conditions in the area may improve on an incremental basis, as they have done in recent years.
Establishing a Supervisory Board	Mixed – yes for economic development and regeneration as these would be given democratic oversight and leadership by the Supervisory Board. However, this does not address the current issues around transport governance, accountability and areas of delivery.	This model would not address the issues around different geographies for transport and as such would not improve the effectiveness and efficiency of transport.	Possibly
Establishing an Economic Prosperity Board	Mixed – yes for economic development and regeneration as these would be given democratic oversight and leadership by the Supervisory Board. However, this does not address the current issues around transport governance, accountability and areas of delivery.	This model would not address the issues around different geographies for transport and as such would not improve the effectiveness and efficiency of transport.	Possibly
Creating a Combined Authority	A Liverpool City Region Combined Authority would provide the basis for functions around economic development, regeneration and transport to be improved, with democratic oversight, leadership and financial accountability being provided.	The creation of a Combined Authority provides a single statutory organisation to discharge strategic functions around transport, which will lead to improvements in the effectiveness and efficiency of transport.	A Liverpool City Region Combined Authority provides the best option to facilitate an improvement in economic conditions in the area.

Evaluation of Options against Department for Transport Requirements for governance

	Status quo	Establishing a Supervisory Board	Establishing an Economic Prosperity Board	Creating a Combined Authority
Political Leadership for Transport at the most senior level	The current Local Transport Body would continue with risks around duplication of activity.	The current Local Transport Body would continue with risks around duplication of activity.	The current Local Transport Body would continue with risks around duplication of activity.	A Combined Authority would provide streamlined political leadership for transport across the functional economic area at the highest level.
Ability to take difficult decisions	The current Local Transport Body would continue with the risks around duplication of activity and governance.	A Supervisory Board would not offer any improvements on the current model as transport would not be included in its' scope.	An Economic Prosperity Board would not offer any improvements on the current model.	The requirement of a Combined Authority to make decisions for the best interests of the City Region as a whole means that it will be able to take difficult decisions.
A long term (ten year) investment programme, focussing on the top priorities for the functional economic area as a whole	The current Local Transport Body would continue with the risks around short sightedness.	A Supervisory Board would not offer any improvements on the current model as transport would not be included in its' scope.	An Economic Prosperity Board would not offer any improvements on the current model.	The requirement of a Combined Authority to make decisions for the best interests of the City Region as a whole means that it will be able to develop a long term investment programme and clear priorities.
A local investment budget combining local resource in addition to Departmental resource	The current Local Transport Body would continue with the potential for partial resources to be considered.	A Supervisory Board would not offer any improvements on the current model as transport would not be included in its' scope.	An Economic Prosperity Board would not offer any improvements on the current model.	A Combined Authority would be responsible for the governance of the Single Local Growth Pot which would mean that it would be able to maximise resources from national and other sources.

	Status quo	Establishing a Supervisory Board	Establishing an Economic Prosperity Board	Creating a Combined Authority
Evident links to strategies and decision making processes on economic growth, housing and planning	The current Local Transport Body would continue with risks around gaps and duplication of activity.	The exclusion of transport from a Supervisory Board does not improve the links around relative contributions to securing growth.	The exclusion of transport from an Economic Prosperity Board does not improve the links around relative contributions to securing growth.	The inclusion of transport within a Combined Authority would allow an integrated discussion to take place on the relative contributions to growth of transport and other activities across the functional economic area.
Efficient use of transport resource across the City Region	The current arrangements would be maintained and incremental improvement in efficiencies captured.	The current arrangements would be maintained and incremental improvement in efficiencies captured.	The current arrangements would be maintained and incremental improvement in efficiencies captured.	The creation of a Combined Authority for the City Region provides the best opportunity for efficiencies to be secured in the use of transport resource across the functional economic area.

Scheme for the Establishment of a Combined Authority for Liverpool City Region

Draft for Consideration by Constituent Councils and the Merseyside Integrated Transport Authority

Section One – Intention to Establish a Combined Authority

1. Establishment of Authority

A Combined Authority (CA) will be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“LDEDCA”). It shall come into existence on 1 April 2014.

2. Area

The area of the CA shall be the whole of the following Local Government areas:

- Halton
- Knowsley
- Liverpool
- Sefton
- St Helens
- Wirral

Each of the above Authorities will be the CA’s “Constituent Authorities”. The CA will act in the best interests of the Liverpool City Region as a whole, taking into account all relevant matters.

3. Name of Authority

The name of the CA will be Liverpool City Region Combined Authority.

4. Dissolution of the Merseyside Integrated Transport Authority

The Merseyside Integrated Transport Authority (MITA) shall be dissolved pursuant to Section 91 of the Local Transport Act 2008 (LTA).

5. Membership of the Authority

5.1 Each Constituent Authority will be represented by one member of its Cabinet who will be the Leader or Elected Mayor. These six members will form the core membership of the CA (“the core members”).

5.2 The Cabinet of each Constituent Authority will appoint another of its members (“substitute member”) to act as a member of the CA in the absence of the member referred to in paragraph 5.1. The substitute member will be drawn from the Cabinet of the Constituent Authority.

5.3 A Constituent Authority may at any time terminate the appointment of a member appointed by it to the CA, save it may not terminate the appointment of an Elected Mayor.

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- 5.4** If a member or substitute member of the CA ceases to be a member of the Constituent Authority which appointed them, the member will cease to be a member of the CA and the Constituent Authority will appoint a replacement as soon as possible.
- 5.5** The CA will appoint a Chair and Vice Chair from amongst its Members. The appointments will be the first business transacted at the Annual Meeting of the CA and the appointments will be for the forthcoming municipal year.
- 5.6** Subject to 5.7, no remuneration shall be payable by the CA to its members other than reimbursement for travel and subsistence.
- 5.7** The CA recognises the benefits which additional members may bring to the CA in carrying out its functions. If there is a unanimous decision to do so, the CA may co-opt additional members onto the CA on such terms as determined by the CA.

6. Voting

- 6.1** All voting members of the CA will have one vote. The Chair of the CA will not have a second or casting vote.
- 6.2** Subject to the provisions of any enactment, the CA will aim to reach decisions by consensus, but subject to 6.3, all matters which come before the CA will be decided by a simple majority of the members of the CA present and voting. In the case of a tied vote on any matter (whether a motion or an amendment), it shall be deemed not to have been carried.
- 6.3** The following matters will require the unanimous support of all core members of the CA for approval:
- The co-option of additional voting or non-voting members onto the CA
 - Amendments to this Scheme and its successor Constitution

7. Executive Arrangements

Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the CA. However, the discharge of the functions of the CA will be subject to scrutiny arrangements set out in paragraph 9.

8. Passenger Transport Executive

The Merseyside Passenger Transport Executive (MPTE) shall not be abolished, shall be the executive body of the CA in relation to its transport functions and shall be known as Merseytravel. Merseytravel shall have all the functions of the existing MPTE and such additional functions necessary for it to act as the CA's executive body in relation to transport functions delegated to the CA by the Secretary of State or its Constituent Authorities.

9. Scrutiny Arrangements

- 9.1** The Constituent Authorities of the CA will establish a joint Overview and Scrutiny Committee to exercise scrutiny functions over the CA (including, where appropriate, over its boards, sub-boards and Merseytravel).

- 9.2** Each Constituent Authority will appoint 2 of its elected members to the joint Overview and Scrutiny Committee.
- 9.3** Subject to the approval of the CA, the joint Overview and Scrutiny Committee may appoint sub-committees to deal with matters within its remit and will have the power to co-opt additional representatives for specific scrutiny tasks.

Section Two – Functions, Powers and Duties of the CA

10. Functions – General

- 10.1** By virtue of Sections 99 and 102A of the LTA, the CA will have broad wellbeing powers, which can be exercised in conjunction with the general powers granted to it by Section 113A of the LDEDCA.
- 10.2** The CA requests the Secretary of State to explore the possibility of delegating to the CA the General Power of Competence under Section 1 of the Localism Act 2011.
- 10.3** The CA requests the Secretary of State to designate the CA as a ‘Specified Body’ pursuant to Section 33(3)(k) of the Value Added Tax 1994.

11. Functions – Economic Development and Regeneration

- 11.1** The primary purpose of the CA and the Local Enterprise Partnership (LEP) is to boost economic growth and performance within the Liverpool City Region. The CA will have responsibility for a significant programme of investment in transport and economic infrastructure and will influence and align with government investment in order to boost economic growth. The related interventions will have differential spatial impacts across the CA area, but should aid delivery of key growth projects in the emerging and future local plans of Constituent Authorities. Having regard to the duty to co-operate, effective alignment between decision-making on transport and decisions on other areas of policy, such as land use, economic development and wider regeneration, will be a key aim.
- 11.2** Unless otherwise stated, powers will be exercised by the CA on a concurrent basis. It is proposed that the CA will be focused on strategic economic growth issues that could include, but are not restricted to, functions such as:
- Setting the strategic economic vision, outcomes and aligning strategic priorities for the Liverpool City Region
 - Ensuring there is a single evidence base in place to support and inform strategic decision-making
 - Agreeing an integrated growth plan and investment strategy to deliver the strategic economic vision and outcomes
 - Setting the economic strategy for the Liverpool City Region
 - Co-ordinating the international economic strategy for the Liverpool City Region to cover inward investment trade and export to capture particularly the benefits of the International Festival for Business
 - Co-ordinating inward investment strategy and activity across the Liverpool City Region as a whole

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- Co-ordinating the strategy and activity for place based marketing across the Liverpool City Region as a whole
- Developing a strategic pipeline of priorities to attract financial and wider support
- Securing funding from a range of sources to support growth within the City Region
- Acting as the accountable body, for example, for devolved major transport scheme funding and the single pot for economic investment, including EU funds and assets as appropriate
- Making decisions with regard to the Liverpool City Region Investment Framework to include the Single Local Growth Fund European funding and Growing Places Fund
- Setting the long-term Employment and Skills Strategy and priorities for the labour market, including the implementation of Skills for Growth agreements

11.3 The powers and duties set out in Schedule 1 shall be held by the CA in support of any functions.

12. Functions – Transport

12.1 All the functions of MITA shall be transferred to the CA. All the local transport authority functions of Halton BC shall be transferred to the CA. The CA will fulfil directly or commission the role of Local Transport Authority for each of the six authorities, replacing the MITA and Halton BC roles as Local Transport Authorities.

12.2 The CA will exercise any function of the Secretary of State delegated to the CA by the order of the Secretary of State pursuant to Section 86 LTA and Section 104(1)(b) LDEDCA. Such functions will be exercised subject to any condition imposed by the order.

12.3 The CA's role in this will encompass:

- Setting the long-term strategic transport vision and outcomes for the Liverpool City Region
- Agreeing the development and approval of a single, city region Local Transport Plan (or its equivalent), which will include high level policy responsibility for major investments (e.g. freight, cycle, rail, highway maintenance, new transport infrastructure, traffic management)
- Agreeing a long-term transport investment strategy as part of the Single Local Growth Plan to deliver the strategic economic vision and outcomes (which includes housing, employment and skills)
- Aligning transport investment with inward investment activity across the Liverpool City Region
- Strategic decisions relating to the Integrated Transport Block and Highway Maintenance funds across all networks
- Ensuring strategic traffic and highway management co-ordination across the City Region
- Assuming the role of the Local Transport Body in respect of major transport schemes
- Acting as accountable body for Transport Schemes, e.g. devolved major transport scheme funding
- Setting the transport levy for the City Region

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- Setting a differential transport levy (“the Differential Levy”) in respect of a Constituent Authority

12.4 The powers and duties set out in Schedule 2 shall be held by the CA in support of any functions.

12.5 The following operational transport functions will be delegated to Halton BC to enable local delivery arrangements to continue during a transition period:

- Information provision
- Infrastructure delivery
- Commissioning/procurement of subsidised bus services
- Concessionary travel

13. Functions – Strategic Housing and Land Based Assets

13.1 There is a role for strategic housing within the integrated approach to economic development, regeneration, skills and transport in order to make a genuine difference to achieving growth.

13.2 The CA’s role in this will encompass:

- Setting the long-term strategic vision for housing and regeneration investment to support economic growth
- Working with the private sector to prepare a prospectus for housing investment in the City Region, based around shared risk
- Agreeing a housing spatial plan and long-term investment strategy as part of the Single Local Growth Plan
- Identifying relevant housing interventions that will facilitate and support potential economic growth and which will support vulnerable neighbourhoods
- Increasing affordable housing supply across the City Region
- Prioritising opportunities for supported accommodation to support the most vulnerable people in the City Region
- Identifying public assets that can be used to increase access to a supply of development land to support housing growth

13.3 The powers and duties set out in Schedule 3 shall be held by the CA in support of any functions.

Section Three – Funding, Transfer of Property, Rights and Liabilities

14. Funding

14.1 The CA as a levying body under Section 74 of the Local Government Finance Act 1988, shall have the power to issue a levy to its Constituent Authorities in respect of the expenses and liabilities of the CA which are reasonably attributable to the exercise of its functions relating to transport.

14.2 The CA shall have the power to issue a differential levy (“the Differential Levy”) to any of its Constituent Authorities, who are not contributing to the Levy, in respect of the expenses and liabilities of the CA which are reasonably attributable to the

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exercise, on behalf of such Constituent Authorities, of its functions relating to transport.

- 14.3** The core principle in determining the Levy or the Differential Levy shall be that the total contribution from each Constituent Authority for funding transport services for the year does not exceed the equivalent cost for the year as it would have been calculated under previous arrangements.
- 14.4** Subject to 14.3, the Levy and any Differential levy will be apportioned between the Constituent Authorities in accordance with population.
- 14.5** The costs of the CA that are reasonably attributable to the exercise of its functions relating to economic development, housing and regeneration, shall be met by the Constituent Authorities on a suitable apportionment basis.
- 14.6** The CA will approve the annual budget for the purpose of expenditure.
- 15. Transfer of Property, Rights and Liabilities**
 - 15.1** All property, rights and liabilities of MITA existing at the transfer date shall transfer to the CA, save that rights and liabilities in relation to contracts of employment of MITA employees shall transfer directly to Merseytravel. All property, rights and liabilities of MITA will be ring-fenced under the terms of a CA agreement to the five Constituent Authorities of Merseyside and will not be the responsibility of Halton.
 - 15.2** Property, rights and liabilities of Halton BC as they relate directly and solely to the local transport authority function, shall be transferred to the CA on such terms to be agreed and made the subject of an operating agreement. For the avoidance of doubt, this shall not include the Mersey Gateway Bridge, the Silver Jubilee Bridge or any of the roads set out in the respective orders and applications relating thereto.

Section Four – Internal Scheme of Delegation

16. Delegations

The CA may establish such committees or sub-committees as it considers appropriate and may delegate powers and functions accordingly.

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Schedule 1

1. The power under Section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities)
2. The duty under Section 69 of LDEDCA (duty to prepare an assessment of economic conditions)
3. The duty under Section 4(1) of the Local Government Act 2000 (strategy for improving the economic, social and environmental well-being of the area)
4. The duties under Sections 152A, 152B, 152C, 17A, 18A(1)(b) of the Education Act 1996 and the power under Sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age)
5. The power to borrow pursuant to Section 1 of the Local Government Act 2003
6. The duty under Section 12 of the Education and Skills Act 2008 (arrangements to identify persons not fulfilling duty under Section 2 of the Act)

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Schedule 2

1. The duty under Section 2 of the Road Traffic Reduction Act 1997, for traffic conditions in the area of the CA
2. The power to issue fixed penalty notices in respect of offences in breach of the [Mersey Tunnels Byelaws 2003 or any revision thereof] pursuant to Section 237A of the Local Government Act 1972
3. The powers and duties of a local transport authority pursuant to the Local Transport Act 2008
4. The power to enter into agreements with local highway authorities pursuant to Section 8 of the Highways Act 1980 and for such purposes to be designated
 - (i) as a local highway authority pursuant to the said Section 8
 - (ii) as a traffic authority pursuant to Section 121A of the Road Traffic Regulation Act 1984
 - (iii) as a street authority pursuant to Section 49 of the New Roads and Street Works Act 1991
5. The power to act as a traffic authority as defined by Section 121A of the Road Traffic Regulation Authority 1984 for the carrying out of such functions pursuant to the Traffic Management Act 2004 as may be agreed by the constituent authorities

APPENDIX 2

Schedule 3

1. The duty under Section 8(1) of the Housing Act 1985 (duty of a local housing authority to consider housing conditions in the area and the needs of the area with respect to the provision of further housing accommodation)

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Liverpool City Region Governance Review

Report of Consultation – Interim Findings

3 September 2013

1. Introduction

- 1.1 On 2 August 2013, the Liverpool City Region authorities, Merseytravel and their partners began consultation on a review of strategic governance arrangements for the sub-region. The consultation is still ongoing and is due to close on 6 September. This report contains the interim findings of this consultation exercise as at 3 September. A full Report of Consultation will be available after 6 September.
- 1.2 This consultation seeks views on the option for of a Liverpool City Region Combined Authority model, including the functions currently exercised by the Merseyside Integrated Transport Authority (MITA) and Halton's strategic transport function. This would give legal form to the close working relationships that already exist between the six Local Authorities, the Integrated Transport Authority and the Local Enterprise Partnership by creating a sub-regional body with legal personality and a governance mechanism that can act across the combined area.
- 1.3 This interim report summarises how the authorities and their partners have engaged with stakeholders, partners and the public regarding the proposals, through communications, workshops, events and meetings. The report also contains a brief summary of the findings of this consultation exercise to date, including the detail of how stakeholders have responded to the proposals so far. This analysis will be expanded on in a final version of the Report of Consultation, which will be made available following the conclusion of the consultation period.

2. About the Consultation

- 2.1 The consultation has involved a range of activities aimed at engaging a wide range of stakeholders, partners and members of the public. This has included making materials available on Local Authority and partner websites, and publicising this through media releases, news stories, social networking tools and internal and external briefings. In addition, each Local Authority has targeted consultation materials to a wide range of partners, stakeholders and other interested parties within their area. Specific communications were sent to selected contacts inviting them to interviews, meetings, events, public drop in sessions and workshops associated with the consultation. A detailed list of all of these activities will be included in the final Report of Consultation.
- 2.2 The consultation materials included a specific feedback form, containing key questions. In addition, many respondents returned detailed letters or email with the wider thoughts on the proposals. All responses were returned to each

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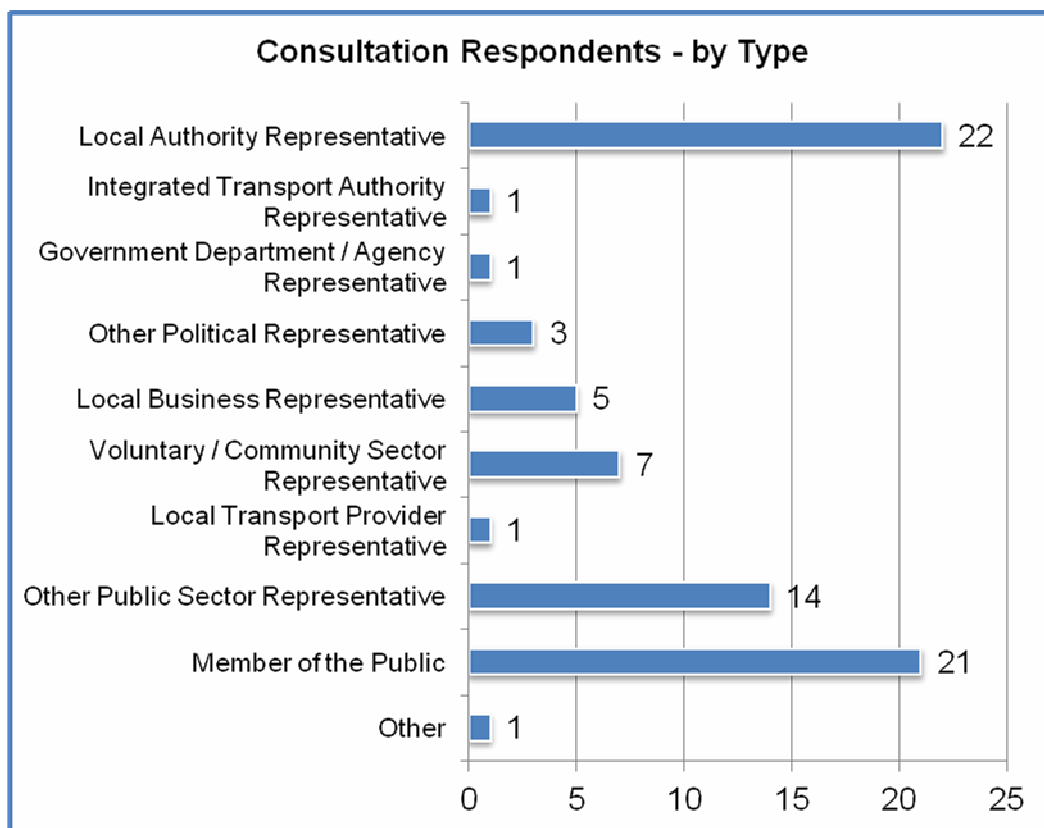
Local Authority and MITA, and collated centrally for the purpose of summary and analysis.

- 2.3 Responses were analysed in terms of their feedback on the key questions set out in the feedback form, as well as in terms of any additional commentary provided. Where specific questions were not answered, answers were attributed from the more general comments made, where appropriate.

3. Summary of Responses to date (3 September 2013)

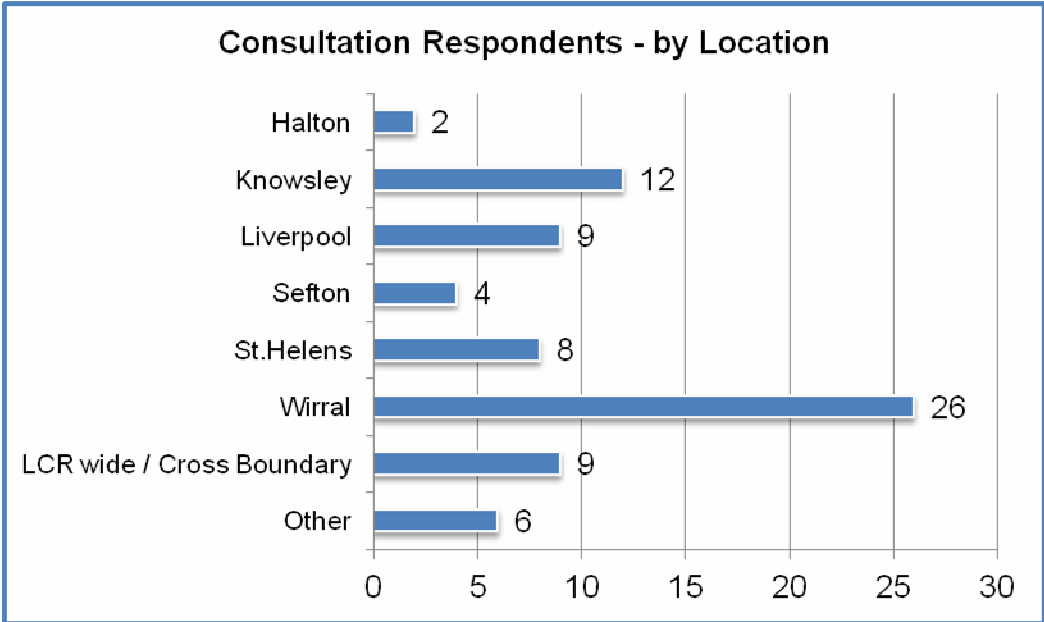
- 3.1 In total, **76 responses** have been received to date. This includes 36 emails and letters, and 40 specific consultation feedback forms. It is expected that this response rate will increase significantly as the consultation period progresses and particularly following the various consultation events still planned for the week commencing 2 September 2013 are processed. In comparison, the consultation has already received more than half the level of total responses of the West Yorkshire Combined Authority consultation (104 responses), and has far exceeded the number received for the Sheffield City Region consultation (3 responses).

- 3.2 Of the 76 total responses received, a large proportion (22 responses) has been received from Local Authority Representatives. In addition, 21 responses were from Members of the Public. Smaller numbers of responses have also been received from the Voluntary and Community Sector Representatives and other Public Sector Representatives, and also additional sectors.



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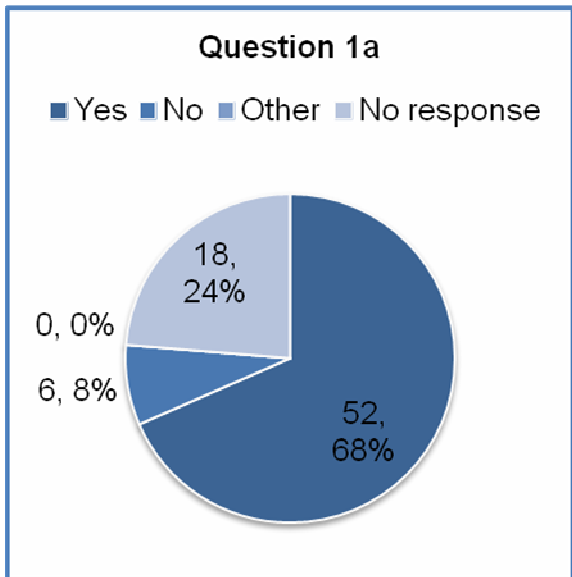
3.3 In terms of geographical locations, the largest proportion of responses has come from individuals and organisations in Wirral (26 responses). This reflects the fact that Wirral are the only authority so far to have a specific consultation event, which generated a large number of responses.



3.4 The following sections set out the responses to the five specific questions on the consultation feedback form. Where no answer was given, or was identified to be attributed, “no response” was given. The final Report of Consultation will include some more detailed analysis of these responses.

1. Does the evidence presented enable you to arrive at the conclusion that a Combined Authority for Liverpool City Region would improve:

(a) The exercise of statutory functions relating to economic development, regeneration and transport in the area?

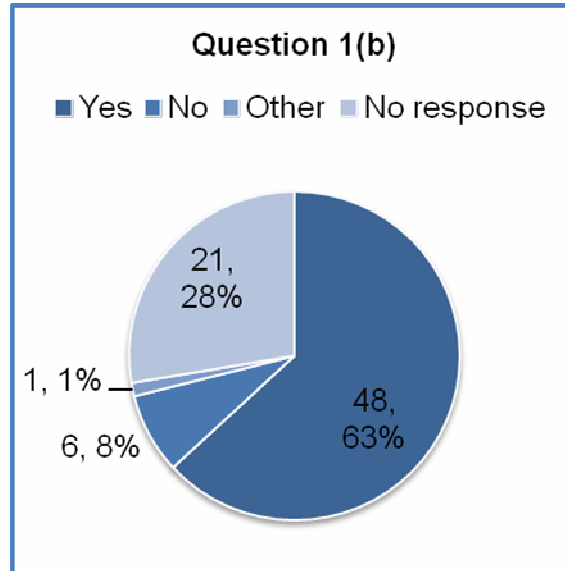


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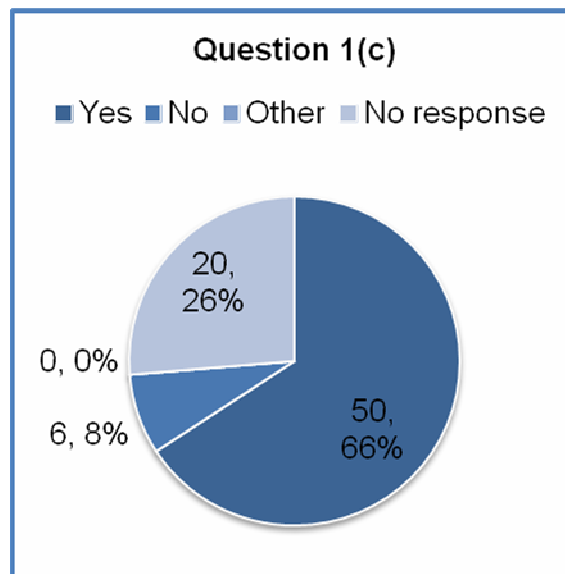
1. Does the evidence presented enable you to arrive at the conclusion that a Combined Authority for Liverpool City Region would improve:

(b) The effectiveness and efficiency of transport?

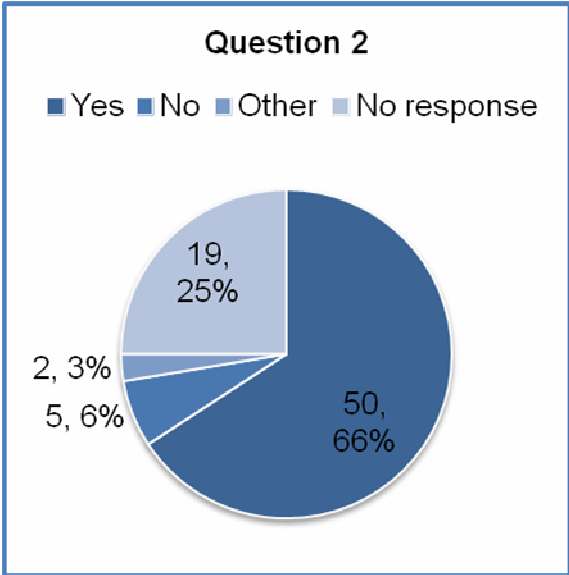


1. Does the evidence presented enable you to arrive at the conclusion that a Combined Authority for Liverpool City Region would improve:

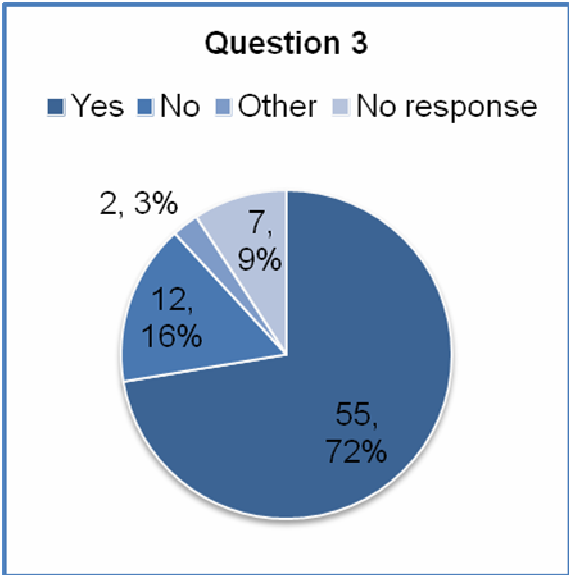
(c) The economic conditions in the area?



2. Do you think the draft Scheme proposed supports the economic rationale for Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral to come together to drive jobs and growth in the Liverpool City Region?



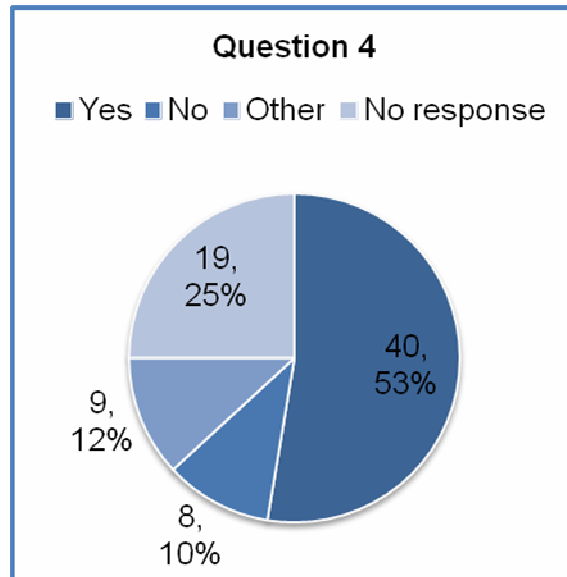
3. Can you support the establishment of a Combined Authority which will provide strategic leadership on economic development, transport, housing and employment and skills?



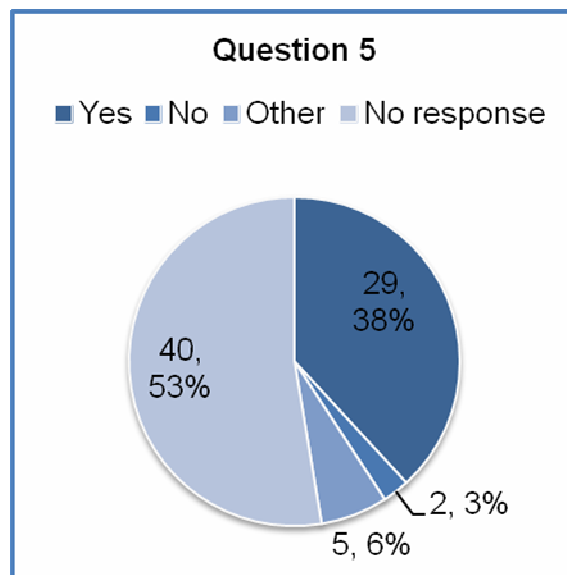
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4. Based on the proposed membership of the Combined Authority, will it be able to provide strong strategic leadership to drive jobs and growth in the City Region?



5. Do you feel the proposed links between the Combined Authority and the Local Enterprise Partnership would be strong enough? If not, how do you think this relationship should be further strengthened?



- 3.5 In addition to quantitative analysis undertaken, the detailed comments made in association with responses have been recorded and summarised. This includes analysis of the general feedback submitted by email or letter, but also analysis of the additional commentary added to the consultation feedback form.
- 3.6 Several broad themes have been identified in terms of qualitative responses. These are listed below. The final Report of Consultation will include the full summary of the issues raised under each theme, as well as any additional themes identified through the remaining consultation period.
- **Theme 1 – Overall proposal** – comments relating to the overall proposal to create a Combined Authority in the Liverpool City Region
 - **Theme 2 – Operation and accountability** – issues raised relating to the potential operation of the Combined Authority, and how it will be held accountable for its responsibilities once operational
 - **Theme 3 – Strategic leadership**– comments regarding the potential leadership and governance arrangements within the proposed Combined Authority
 - **Theme 4 – Strategic priorities** – issues raised regarding the thematic priorities which could be addressed by the Combined Authority
 - **Theme 5 – Geographical coverage** – comments regarding the coverage of the Combined Authority across the Liverpool City Region and wider area
 - **Theme 6 – Role of authorities and partners** – comments regarding the relative role of authorities within the Combined Authority, and the roles of partner organisations
 - **Theme 7 – Additional partner involvement** – comments regarding the widening of the Combined Authority activities to include additional partners or stakeholders
 - **Theme 8 – Wider Impacts** – issues raised regarding the wider impacts of the proposal on local authority activities and the wider sub-region
 - **Theme 9 – Miscellaneous** – further issues and matters raised.
 - **Theme 10 – Consultation Process** – comments regarding the process of governance review and the corresponding consultation activities.

4. Next Steps

- 4.1 For the remaining consultation period, the Liverpool City Region authorities and MITA will continue to collate responses from partners, stakeholders and members of the public. There are also several major consultation events planned for the remainder of the consultation period, including:
- Local Enterprise Partnership Event (3 September)
 - Sefton (North and South) Consultation Sessions (3 and 5 September)
 - Knowsley Business, Partnership, Elected Member and Public Events (5 September)

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- 4.2 A final Report of Consultation will be prepared following the conclusion of the consultation period on 6 September 2013.

Agenda Item 5

Report to: Cabinet

Date of Meeting: 12 September 2013

Subject: Budget Savings Update 2013/14

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

To inform Cabinet Members of the progress in achievement of the approved savings for 2013-2015.

Recommendation(s)

Cabinet is recommended to: -

- i) Note the progress to date on the achievement of approved savings for 2013-2015; and
- ii) Note the intended utilisation of earmarked reserves in 2013/14 should other savings not be achieved elsewhere in the budget to bridge the current gap.

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 ensure Cabinet are informed of the latest position on the achievement of savings for the current financial year and to facilitate the achievement of the savings targets for 2014/2015.

Agenda Item 5

What will it cost and how will it be financed?

(A) Revenue Costs

Any under-achievement of the agreed savings for 2013/14 will need to be financed from within any under-spending identified within other areas of the 2013/14 budget (or 2014/15 saving targets achieved earlier than planned), or from the Council's earmarked reserves. Any usage of reserves will reduce the amount available to support the phased introduction of savings in future years.

(B) Capital Costs

None.

Implications:

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

Legal	There are no legal implications arising from this report	
Human Resources	None	
Equality		
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 (FD252613) and Head of Corporate Legal Services (LD1831/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

Immediately following call-in.

Contact Officer: Margaret Rawding
Tel: 0151 934 4082
Email: Margaret.rawding@sefton.gov.uk

Background Papers:

None

1. **Introduction**

- 1.1 Cabinet approved the 2013/14 budget on 28 February 2013. This included the requirement to achieve additional savings of £50.800m over the two financial years 2013/14 and 2014/15. There are however savings to be achieved in 2013/14, which were approved by Council in March 2012. These items have been included in this report.
- 1.2 In order for the Council to remain within its financial budget, it is essential that as much of the identified savings are actually achieved in the appropriate years for 2013/14 & 2014/15.
- 1.3 This report presents an update (as at the end of July 2013) on the achievement on all approved savings to be achieved in the 2013/14 financial year. For completeness, any savings for 2014/15, which can be achieved in 2013/14, have also be included; these savings have been shown separately in the attached table for ease of understanding.
- 1.4 It should be noted that the July 18 Cabinet report presented the position as at the end of May 2013.

2 **Approved savings for 2013-2014 – Current position**

- 2.1 The table at **Annex 1** identifies the current position of the agreed savings to be achieved in 2013-2014. They are analysed into four categories: -
 - Savings achieved to date (Blue);
 - Progress is satisfactory (Green);
 - Outcome is unknown and is at risk of not being fully achieved (Amber); and
 - Known shortfalls, or significant risk of not being achieved (Red).

This approach is designed to ensure transparency, effective risk management and improved consultation and engagement.

It should be noted that individual savings may be categorised into more than one area; for example, part of the work to achieve a required saving may be on track (and a value can be shown in Green), whilst another element is potentially at risk (and therefore shown as Amber).

Agenda Item 5

2.2 A summary of the current position (as at the end of July 2013) of the achievement of savings is shown below: -

	July £m	May £m	Variance £m
<u>2012/13 Savings to be achieved in 2013/14</u>			
Achieved (Blue)	1.575	1.225	+0.350
Progress is satisfactory (Green)	0.300	0.635	-0.335
Review scheduled/risk of saving not being fully achieved (Amber)	0.000	1.054	-1.054
Known shortfalls/significant risk of saving not being fully achieved (Red)	1.539	0.000	+1.539
	3.414	2.914	+0.500
<u>2013/14 Saving Target items</u>			
Achieved (Blue)	16.734	16.233	+0.501
Progress is satisfactory (Green)	5.096	5.715	-0.619
Review scheduled/risk of saving not being fully achieved (Amber)	2.680	1.641	+1.039
Known shortfalls/significant risk of saving not being fully achieved (Red)	0.564	1.485	-0.921
	25.074	25.074	+0.000
<u>2014/15 Saving Target items</u>			
Achieved (Blue)	0.332	0.225	+0.107
Total Approved Savings	28.820	28.213	+0.607

2.3 Whilst it is still early in the financial year, and work is progressing on the implementation of various schemes, the above table gives an indication of the current position against the in-year savings target. At the present time, £24.037m of savings are either “blue” or “green”, leaving some £4.783m currently identified at risk. The position on the schemes will become clearer as the year progresses.

2.4 The performance against the saving targets is monitored on a monthly basis, and reported to the Strategic Leadership Team.

2.5 The Council could call upon reserves in 2013/14 to finance a shortfall of this magnitude. However, the utilisation of these resources will reduce the Council’s ability to phase in savings in future years.

2.6 Members will recall that in approving the two-year savings, approval was given to the implementation of all savings, at the earliest opportunity. Given the above position, it is therefore important that as many of the savings for 2014/15 should be achieved during this financial year in order to bridge the gap.

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2013-15 LISTED BUDGET SAVINGS PERFORMANCE AT JULY 2013

	JULY Totals £k	MAY Totals £k	VARIANCE Totals £k
Savings achieved to date	18,640,700	17,683,000	957,700
Progress is Satisfactory	5,396,000	6,350,000	-954,000
Risk of savings not being fully achieved	2,680,300	2,695,000	-14,700
Known shortfalls or significant risk that savings will not be achieved	2,103,000	1,485,000	618,000
Total of Savings	28,820,000	28,213,000	607,000

2012-13 LISTED BUDGET SAVINGS CONTINUING INTO 2013-14

		£	Red	Amber	Green	Blue	Comment
Additional Savings on Critical Services - included in para 6.3 in Report to Cabinet 16th December 2010 (CSF Demand Led Pressures)		690,000				690,000	Saving Achieved in 2013/14
C5.1	Children in Care - Reduce Care Package Costs	396,000				396,000	Year 2 saving of a 3 year programme. Should be achieved from reduced commissioning packages for children in care ongoing.
E2.1	Supporting People (*)	1,000,000	1,000,000				This saving will not be fully achieved in 13/14. A position statement is being prepared on the savings already achieved. A further review will be undertaken to understand the continuing commitments against this budget area
E2.1	Supporting People (*)	500,000	500,000				See Above
E2.2	Supporting People Commissioning Functions	14,000	14,000				Now part of broader integration of commissioning function progress.
E2.8	Area Finance / Finance Visiting Officers - Review	25,000	25,000				Was £100k - however reduced by £75k as part of requirement to achieve D 1.38 Social Care Subsidies. Achievement of this saving is dependent on Phase 2 of IAS project sign off and implementation
E3.13	Library Service - Cease provision of Mobile Library Service	3,000				3,000	Lease of vehicle terminated
E4.5,10,11,12	Parks, Greenspaces, Coast & Countryside Redesign	330,000				330,000	Saving Achieved
E4.7	Recharge formal sports users the costs of Grounds Maintenance	20,000				20,000	Full saving will be achieved
	Connexions	136,000				136,000	Ongoing savings anticipated as the contract reduces in 13/14 up to its end in April 2014
	Elections	200,000			200,000		To be monitorad, but likely to be achieved in 2013/14
	Treasury Management Additional Savings	100,000			100,000		Built into budget for 2013/2014. Total budget forecast to be achieved.
		3,414,000	1,539,000	0	300,000	1,575,000	

2013-14 LISTED BUDGET SAVINGS

Strategic Management

	Senior Management Restructure	150,000				150,000	Saving has been achieved
	Subscriptions - Local Government Association Membership	-45,000				-45,000	Budget Adjusted
	Subscriptions - North West Employers Membership	-25,000				-25,000	Budget Adjusted
Strategic Management		80,000	0	0	0	80,000	

Corp Commissioning and Neighbourhoods

	Improved procurement of Council wide communications activity	25,000			25,000		Saving is achievable in 2013/14 but savings in 2014/15 are less likely to be achieved at this stage and therefore need to be reviewed
	Integration of Communications	95,000				95,000	Saving has been achieved
E3.2	Review of Civic Support	60,000				60,000	Saving has been achieved
E3.3	Cessation of Room Bookings Service (linked to review of Civic Support)	20,000			20,000		To be monitored, but likely to be achieved in 2013/14
F4.1	Area Committee Budgets	100,000			100,000		Each area committee has been advised of their reduced allocation for the year and regular monitoring will take place to ensure spending is within budget
F4.3	Double Rating - reduction in line with Council grounds maintenance contracts	33,000			33,000		Consultation Progressing
D1.27	Corporate Commissioning & Neighbourhood Coordination (CCNC) Service - rationalise service	140,000				140,000	Saving achieved by staff reductions and cessation of specialist equalities support
Para 3.6 includes prev option D1.29	Double Rating - cessation (2014/15)	30,000			30,000		Consultation Progressing
	Stop servicing all non-member meetings and review O & S structure	38,000	38,000				Loss of one post is not considered viable. Saving therefore at risk.
D1.10	Budget realignment - members allowances as agreed by July 2012 Council	147,000				147,000	Saving has been achieved
	Area Committees - Reduce from 7 to 3	15,000			15,000		To be monitored, but likely to be achieved in 2013/14
(see also Economy)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	10,000				10,000	Saving has been achieved
Corporate Services and Corporate Commissioning		713,000	38,000	0	223,000	452,000	

Corporate Services

C12.1	Learning and Development	80,000		80,000		To be monitored, but likely to be achieved in 2013/14
C12.2	Increased housing benefit grant from reduced error rates	250,000	250,000			The council is working with Arvato to secure a reduction and is monitoring the position on a monthly basis
C12.3	Reduced external audit, recoverable VAT fees & improved cash management pension costs	500,000	100,000	400,000		£400k of saving is VAT Shelter Income from OVH. Receipts currently forecast at £300k
C12.4	Printing and Publications	20,000			20,000	Saving has been achieved
E4.1	Learning and Development	75,000		75,000		To be monitored, but likely to be achieved in 2013/14
E4.2	Review of Corporate Support Services	248,000			248,000	Saving has been achieved.
E4.3	Review of risk management inc externally commissioned services	80,000			80,000	Saving has been achieved
D1.11	Risk Management	25,000			25,000	Saving has been achieved
D1.12	Procurement ICT and financial support	25,000			25,000	Saving has been achieved
Corporate Services		1,303,000	0	350,000	555,000	398,000

Built Environment

Planning

C1.1	Building Control - Vacancy and mini restructure	20,000			20,000	Saving has been achieved
C1.2	Land Searches - Right size budget land searches income	35,000		35,000		Income on target, likely to be achieved
C1.3	Planning DC - Commissioned technical advice	28,000		28,000		Income on target, likely to be achieved
C1.4	Planning DC - Pre-application - charge	6,000		6,000		Income on target, likely to be achieved
C1.5	Planning DC - Increase planning application fee	50,000	50,000			Significant risk of not achieving due to legislative changes
C1.6	Planning DC - Consultancy	12,000			12,000	Saving has been achieved
Planning		151,000	50,000	0	69,000	32,000

Environment

	Environmental Health - Reduced services and supplies	55,000			55,000	Base budget adjusted April 2013
	Environmental Health - Reduced ECO Centre costs	15,000			15,000	Base budget adjusted April 2013
	Licensing (taxi etc) - Licensing reserve (one-off)	240,000			240,000	Local Licensing Reserve available to apply
	Environment - Trading Standards - staff restructuring	30,000		30,000		Restructure in progress - compulsory redundancies in hand, saving effective from August
	Built Environment - Pest Control - introduction of a charge	20,000		20,000		Target implementation from October subject to Arvato project delivery & then public willingness to pay
Environment		360,000	0	20,000	30,000	310,000

Investment Programme

C3.3	Contracted Services - Defer re-instatement of highway management funding for a further two years	800,000	40,000	760,000		Potential overspend of £40,000 due to an issue over budgetary provision affecting the Highways Maintenance budget
C3.4	Development Control - Highway development control income target	40,000		40,000		On target and will continue to be monitored
	Street Lighting - Review of lighting options	15,000		15,000		Salix loan, to be repaid from central resources, will enable work to progress on changing street lighting bulbs
C3.2	Home Improvements - Housing Improvement Agency service brought in-house	37,000			37,000	Savings of £37k recovered by reducing available revenue budget for 2013/14 at the outset of the Financial year, from £128,600 down to £91,600. We anticipate that projected spend will be contained within the reduced budget.
	Investment & Infrastructure - Increase income from Network Management	38,000		38,000		Unlikely to be achieved
Investment Programme		930,000	40,000	38,000	815,000	37,000

Economic Development and Tourism

D1.8	To relocate staff from The Investment Centre to Magdalen House	36,000		36,000		Savings on rental of premises. Staff moved February 2013 and rental payments ceased from March 2013.
D1.25	Re-financing the Mersey Forest subscription to make a saving on the revenue budget; accept voluntary reduction in working hours from two staff; and make further savings in supplies and services	51,000		51,000		Mersey Forest subscription to be refinanced. Staff hours already reduced. On target.
(see also Neighbourhoods)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	20,000		20,000		Full saving will be achieved
Economic Development and Tourism		107,000	0	0	107,000	0

Street Scene

Landscape Services

C5.1	Ground Mtce incl grass cutting - Contractors indexation/eff. Discounts FYE	50,000		50,000	Saving achieved	
C5.2	Parks incl Nursery and net of frontline - Fernery/Aviary shop	10,000		10,000	Saving achieved	
C5.3	Cemeteries & Crematoria - Restructure staffing	15,000		15,000	Saving achieved	
C5.4	Parks incl Nursery and net of frontline - Further changes to Parks Management and standards in parks	50,000	50,000		These savings will be achieved in 2014/15 as originally proposed	
F1.2	Ground Mtce incl grass cutting - Recharging grounds mtce/utility costs for adult football/sport users/bowlers	85,000		85,000	Full Saving will be achieved	
F1.4	Cemeteries & Crematoria - Increase burial and cremation charges	400,000		265,000	135,000	Income based savings forecast should be achieved subject to demand for funerals
Landscape Services		610,000	50,000	0	350,000	210,000

Direct Services

C6.1	Commercial waste increased income	100,000		100,000		Additional work being sought from private companies. Supervisory reorganisation will assist in this process via the creation of a dedicated responsibility of income generation.
C6.2	Public conveniences reviewed for efficiency savings	20,000		20,000		Operational arrangements have been reviewed and all toilets have remained open. Saving should be achieved however vandalism costs are currently rising but will be monitored accordingly.
C6.3	School Crossings - Review crossing service and transport costs	40,000			40,000	Saving has been achieved
C6.4	Catering - Other catering activity (income target)	100,000		100,000		Saving is being achieved
C6.5	Vehicle Management and Mtce - MOT Testing (income target)	50,000		50,000		On track to be achieved.
C6.6	Careline Service/Security Force (income target)	125,000	125,000			Plans to take payments, and introduce monthly receipt of payments are being developed and will be implemented as soon as possible.
C6.7	Recycling - Rephase cardboard recycling to August 2014	1,000,000			1,000,000	Saving has been achieved
	Recycling - Right size recycling budget following new contract	200,000			200,000	Saving has been achieved
	Review of Cleansing Services	100,000		100,000		Review has been completed and staffing levels have been reduced to achieve this saving.
	Street Cleansing - Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	150,000	150,000			Usage of Bulky Item service has dropped dramatically in recent months. Staffing temporarily reduced to achieve saving target. If demand increases, staffing will also as additional income will offset staffing costs.
	Street Scene - Building Cleaning - change frequency of office cleaning	50,000	50,000			Discussions to restructure both the service provided and sectional budgets to achieve this saving are ongoing.
D1.24	Street Scene - Cleansing - Cease provision of free Plastic Sacks, excluding premises with difficult access	60,000			60,000	Saving achieved. Last batch of plastic sacks has been circulated, new collection process now operating.
D1.32	Public Conveniences increase charges	40,000		40,000		All toilets have remained open, coin mechanisms doors have been fitted at the Park Crescent and Preston New Road facilities. Implementation of increased and new charges were effective from 1/6/2013.
D1.33	Cleansing Service - Reorganisation of workload and work patterns	25,000		25,000		On track to be achieved.
F1.6	Community Meals - Increased Budget - Catering	-29,000			-29,000	Budget has been amended following decision to cease to provide a Community Meals
F1.6	Community Meals - Increased Budget - Vehicle Maintenance	-18,000			-18,000	Budget has been amended following decision to cease to provide a Community Meals
Direct Services		2,013,000	0	325,000	435,000	1,253,000

People

Learning and Support

C7.1	Complementary Education Improved use of technology (EOTAS)	100,000	100,000	Reduced payments to schools - saving achieved in 12/13 ongoing
C7.2	Pupil Attendance - teaching element	65,000	65,000) Savings from Vulnerable children missing school (£40k) and
C7.3	Pupil attendance and welfare - school absence prevention and action	60,000	60,000) Welfare Enforcement budgets (£85k). Saving of £126k was achieved from these two budget areas in 12/13.
C7.4	Speech and Language Therapy	95,000	95,000	Saving on salary costs Primary and Special LEA - future costs to be found by schools
C7.5	School Improvement Team	50,000	50,000	Savings taken from a number of running expense budgets for the School Improvement Team. All of these areas were underspent in 2012/13
E2.2	Admissions efficiencies	40,000	40,000	Savings from two staff VRs March 12 / May 13 appeals and student support within the admissions team
E2.3	Educational Psychology Team Restructure	50,000	50,000	Staffing restructure will achieve this saving through a post reduction in the Psychology service
D1.3	Statutory Provision Budget Realignment	9,000	9,000	See also C7.1 saving being achieved in 12/13 ongoing - Vulnerable children Complementary Education
D1.4	Budget realignment Welfare and Pupil Attendance - Teaching elements to Dedicated Schools Grant	25,000	25,000	Staff saving being achieved in this area
D1.5	School Admission, Appeals and Student Support - Reduction in administration costs (supplies and services)	19,000	19,000	Savings taken from a number of running expense budgets within general administration EF861. Savings already being achieved in 12/13 ongoing.
D1.6	Connexions - Budget realignment	60,000	60,000	Connexions contract reducing in 13/14.
Learning and Support		573,000	0	0
		0	0	573,000

Children's Social Care

Review of the Commissioning of all residential care beds	400,000	400,000	High confidence this saving will be achieved following a review of the inhouse residential services. Savings expected to commence July 2013 when new structures are in place. Savings being met out of Children in Care and Respite services. £400k represents a part year saving which will increase towards the additional £600k saving expected in 14/15.
Social Care - Central Management Costs and Support Costs - restructure/realign	100,000	100,000	Savings being achieved through a number of VRs in the Social Care senior management team and savings on Legal Fees
Children's Social Care	500,000	0	0
		500,000	0

Early Intervention and Prevention

C8.1	Reduce Connexions post in YOS	24,000	24,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.2	Delete sessional worker posts	54,000	54,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.3	Delete parenting co-ordinator post	43,000	43,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.4	Data support for the Children Centre Management System	28,000	28,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.5	Reorganisation of disabled children database workload	20,000	20,000	VR/VER - post deleted
E2.4	EIP Service restructure	140,000	140,000	Savings found from CWD Transitions/Aiming Higher Team/Childrens Fund & Carers and Youth Service budgets. High confidence these will be achieved
D1.1	Integrated Youth Support (Targeted Youth Support & Strengthening Families Team) & Reduce YOS Budget Realignment	92,000	92,000	Savings achieved from deletion of a vacant post in YOS (£30k) and deletion of an old contracts budget (£62k)
D1.2	Offset Substance Misuse work from DAT Public Health budget - realignment	124,000	124,000	Service to be fully funded from Public Health funding coming into the Council (12/13 it was 50% funded)
D1.16	Healthy Schools - Transfer function of coordination and consultant roles to schools	35,000	35,000	Programme ceased
D1.23	Aiming High - Review of Integrated Short Breaks - Budget realignment	55,000	55,000	Savings taken from running expense budgets already underspending in 12/13 ongoing
Early Intervention and Prevention		615,000	0	0
		0	0	615,000

Adult Social Care

C9.1	Drug Service Single point of assessment	224,000			224,000	Now commissioned from Public Health budget
C9.2	Adult Social Care Budget realignment	120,000			120,000	Business as usual savings achieved
E2.7	Reduced social workers	135,000			135,000	Achieved by VR/VER
D1.15	Reconfiguration of the Supporting People commissioning team	125,000	125,000			Now part of broader integration of commissioning function process
F1.6	Community Meals - Migrating users to alternative providers	185,000			185,000	This service has now been decommissioned and former service users have been signposted and supported to obtain alternative provision.
New Option (Options F3.2, D1.39, AND D1.41 should be considered as one option	Day Care and respite provision	1,200,000		1,200,000		It is assumed that £1m of the £1.2m saving could be achieved in 13/14 via the reduction in the number of days of respite being reduced to a maximum of 14 days instead of 28 days. It is assumed that the additional £0.2m will be achieved by some clients naturally dropping out of system and Day Care not being offered to new clients.
D1.38	Social Care - Subsidies - Increase client contributions for a range of non-residential services	319,000	92,000	227,000		This is a part year saving . A plan is in place. Consultation is complete. Cabinet Member has been briefed and further consideration is being given to the use of transitional protection for some existing service users. This may affect savings targets. It is anticipated that any changes to charging policy will be delayed until possibly November 2013 and as a result there will be shortfall in the additional income target identified in MTFP savings options.
D1.40	Recover surplus/unspent direct payment funds at regular and earlier intervals and cease the first year one-off workplace insurance payment	752,000	100,000	320,300	331,700	As at end July £331.7k has been recovered by reviews undertaken. The position will continue to be monitored as surplus/unspent direct payments are identified and reclaimed. However based on funding reclaimed to date / previous years achievements it is likely that there will be approximately £100,000 shortfall in the income recovered against the target figure of £752,000
Adult Social Care		3,060,000	317,000	1,747,300	0	995,700

Public Health

I	Integration Efficiencies	600,000			350,000	250,000	£250k of this required saving has been achieved by charging in existing central department costs into the Public Health budget to provide support services to the Public Health function. The remaining £350k will be achieved by the successful identification of other Council activity, that falls into the definition of public health expenditure, as defined by the grant conditions. Such expenditure can then, with the agreement of the Director of Public Health, be commissioned using the Public Health ring-fenced budget with the aim of achieving public health outcomes
Public Health		600,000	0	0	350,000	250,000	

Health and Wellbeing

C10.1	Leisure Operations - Improved Membership retention	200,000			200,000	Collection rate improving and should reach target
C10.2	Eze Fitness contract - terminate	55,000	55,000			Currently under negotiation. Saving will be deferred to 2014/15
C10.3	Leisure Operations - increase in income	150,000		150,000		Too earlier to predict income levels
C10.4	Reduce supplies and services budget	23,000			23,000	budget reduced
C10.5	Reduce revenue growth for utility charges	200,000			200,000	budget reduced
E2.5	Review all management arrangements	320,000	36,000		284,000	Two members of staff retained for 3 months to finalise the library review and Atkinson project
D1.22	Crosby Civic Hall - pilot external arrangements, with option of closure if	46,000			46,000	Budget reduced
	Management fee reduction - Fomby Pool Contract	50,000		50,000		Negotiations coming to a successful conclusion. Legal Issue still unresolved. Saving may not be made in 2013/14
	Libraries - Review of Service	150,000			150,000	implementation plan agreed by Cabinet 23/5/13. Libraries start to close in Oct to Dec 2013
Health and Wellbeing		1,194,000	91,000	200,000	634,000	269,000

Authority Wide Savings/Financing Options

F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Commissioning & Neighbourhood Coordination	96,000			96,000	This saving has been achieved through the cessation of the Benefitting Older Persons Fund and a reduction in funding to Selson CVS
F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Older People	300,000			300,000	Affected groups have been notified and relevant budgets have been reduced accordingly
F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Young People and Families	282,200			282,200	Savings made from reduced commissioning with voluntary groups for delivery of services
F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Provisions, Reserves, Corporate Spend	800			800	
C12.5	Cash limit general non-pay budgets in 2013/14 and 2014/15 (retains £0.5m excessive inflation provision in each year and retains inflation for specific contracts)	3,218,000			3,218,000	Budget reduced. Only risk is if departments cannot remain within cash limited budgets due to excessive inflationary increases, e.g. utilities costs.
	NHS support for Social Care	1,488,000			1,488,000	Plans are in place for this grant to be received
	Terms & Conditions - Freezing increments for 2 years	1,500,000			1,500,000	Terms and Conditions changed so increments not being paid.
	Business Rates - Small Business Rates Relief - S31 Grant	1,171,000			1,171,000	Grant being received.
	Levies	1,180,000			1,180,000	Reduced levies being paid.
	Transport Authority - Recharge	631,000		631,000		Discussions are taking place with Merseyside Integrated Transport Authority (MITA) to agree methodology for recharging
	Council Tax - Council Tax Freeze Grant	1,180,000			1,180,000	Grant being received.
	Authority Wide Savings/Financing Options	11,047,000	0	0	631,000	10,416,000

Integration

I1.1	Commissioning, Business Intelligence and data	125,000			125,000	Implementation of restructure ongoing.
I1.2	Learning & Development, Training, Professional Training and CPD	250,000			250,000	To be monitored, but likely to be achieved in 2013/14
	Integration	375,000	0	0	375,000	0

Use of One-Off Resources to Support the Budget

843,000	843,000	Resources available to be utilised if required.
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Total Savings Requirement 2013/14

25,074,000	586,000	2,680,300	5,074,000	16,733,700
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SAVIN FILE TO BE ACHIEVED FROM SPECIFIC SERVICE AREA BUT WILL BE ACHIEVED FROM OTHER AREA WITHIN WHOLE OF SERVICE

E2.5	Review all management arrangements				-22,000	22,000	Head of Libraries post can be met from vacancies within the Libraries Service pending the implementation of the revised staffing structure.
		25,074,000	564,000	2,680,300	5,096,000	16,733,700	

2014-15 LISTED BUDGET SAVINGS ACHIEVED IN 2013-14

Corporate Commissioning and Neighbourhoods

E3.1	Integration of Communications	45,000			45,000 Saving has been achieved following restructure in 2013/14
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People

Adult Social Care

E2.7	Reduced social workers	135,000			135,000 Achieved by VR/VER - Budget currently being utilised in 13/14 to support additional social work capacity required to undertake assessments in initial phase of planned Day Care/Respite saving	
F1.6	Community Meals - Migrating users to alternative providers	62,000			This service has now been decommissioned. The £62k is the full year effect of the 13/14 saving	
D1.35	Section 117 After Care Funding	90,000			The full saving requirement in 2014/15 is £200k. To date £90k has been secured towards this saving	
Adult Social Care		332,000	0	0	0	332,000

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Report to: Cabinet

Date of Meeting: 12 September 2013

Subject: 2012/13 Revenue Outturn Position and Transfer to Reserves /
General Balances

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

Is this a Key Decision? No

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To inform Cabinet of the revenue outturn position on the 2012/2013 General Fund, to approve the transfer to earmarked reserves and the increase in General Balances.

Recommendation(s)

Cabinet is recommended to approve the transfer of £3.0m of the 2012/2013 General Fund revenue underspend to increase certain earmarked reserves as set out in paragraph 4.3 of the report, and to increase the level of General Balances by £2.865m.

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 ensure Cabinet are informed of the revenue outturn position for 2012/2013 and to seek approval to reserve part of the identified underspend; and transfer the remainder to General Balances.

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What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial costs as a result of this report. The identified underspend from 2012/2013 will provide the opportunity to establish / increase provisions for potential costs. In addition, it will enable the establishment of the £1m Capital Priorities Fund and allow General Reserves to increase from £3.711m to £6.576m. This will improve the overall financial viability of the Authority for the coming years, when further reductions in expenditure are expected.

(B) Capital Costs

None.

Implications:

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

Legal		
Human Resources	None	
Equality		
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 (FD2525/13) and Head of Corporate Legal Services (LD1830/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

Immediately following call-in.

Contact Officer: Margaret Rawding
Tel: 0151 934 4082
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Background Papers:

None

Overview

The financial year 2012/13 was the third year of reducing resources by £64m, and will be followed by a further two years of a financial plan which makes further real term reductions of £50m.

The Council has used 2012/13 to deliver service efficiencies and reductions. Running in parallel to the achievement of the 2012/13 financial targets was the preparation, and early implementation of changes to achieve the 2013/14 and 2014/15 budgets.

Officers have been diligent in the management of resources and this has given the Council £2.5m of early savings which can contribute to earmarked reserves / balances to assist the Authority phase in savings in coming years.

The Chancellor, in the June 2013 Spending Review has indicated that the resources available to Sefton for 2014/15 will be reduced even further than is currently planned for. Initial assessments indicate that a further £1.4m of savings will be required, compared to the December 2012 forecast of the DCLG. This, along with falling NNDR receipts, leaves the Council shortfall on the 2013-15 financial plan of £2.5m.

Cabinet is recommended to allocate the over-achievement of 2012/13 savings and the effect of the early implementation of 2013/14 saving options identified in the report to general reserves to fund the new shortfall in the 2013/15 financial plan.

1. Introduction

- 1.1 The General Fund outturn position for the 2012/2013 financial year is presented, which highlights the major variations compared to the budget and identifies an overall revenue underspend position. The report requests Cabinet to approve the proposed transfer of the non-school revenue underspends to specific earmarked reserves, and also to provide for a much needed increase in General Balances. The increase in potential liabilities, risks and uncertainties in the achievement of all agreed savings identified during 2012/2013 requires a further increase in certain earmarked reserves.

2. General Fund Revenue Outturn 2012/2013

- 2.1 The Council has completed the closure of the Authority's accounts for 2012/2013; the external auditors, PricewaterhouseCoopers, are due to commence their audit in early July 2013. The agreed Statement of Accounts will be presented to Audit and Governance Committee on 25 September 2013, at the conclusion of the audit. The Statement of Accounts will be submitted to PricewaterhouseCoopers on 30 June 2013.
- 2.2 The outturn figures for 2012/2013 are presented in more detail in the following sections but can be summarised as follows:

Revenue Account 2012/2013	Schools £m	Non-Schools Services £m
Actual Balances at 31 March 2012	17.814	3.711

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Less: Schools' Delegated Budget Net Overspend 2012/2013	-0.500	-
Plus Non-Schools Net Underspend	-	2.865
Provisional Unallocated Balances at 31 March 2013	17.314	6.576

3. Schools' Delegated Budgets Outturn 2012/2013

- 3.1 The schools closing balances for 2012/2013 are £17.314m and this represents 9.31% of schools 2012/2013 delegated budgets. Overall school balances reduced by £0.500m within the last financial year.
- 3.2 The Government made recommendations within a revised Scheme of Delegation for local authorities, to relax or omit any school balances control mechanism from April 2011. However Sefton Schools Forum agreed to continue to have a school balances control mechanism and to increase the level of permitted balances to 8% of the annual budget for a secondary school, or 12% for a primary or special school in recognition of the tighter financial climate currently faced by the schools.
- 3.3 Schools balances are examined each year by a sub group of the Schools Forum, to ensure balances are not excessive. Schools Forum decided that where balances are above 12% of a Primary or Special schools' annual budget, or 8% for a Secondary school, these would be examined, and a special pro forma is supplied to each school having balances which meet this criteria, with a request for them to explain how they intend to use the excess in their spending plans going forward.
- 3.4 Following the last exercise to examine balances, conducted in June 2012, the schools contacted were able to demonstrate robust plans for the committed use of surplus balances and no resources were clawed back for re-distribution. Schools Forum has agreed to continue to robustly review school balances as part of the annual process for 2013/14.
- 3.5 As mentioned above, the level of school balances has reduced in 2012/2013 by £0.500m.
- This reduction of £0.500m is a relatively small change in the level of balances overall, compared with the large increase in balances of over £6m in 2011/2012. By sector however, Primary schools have reduced their balances in 2012/2013 by £0.768m; Special schools have reduced theirs by £0.154m; whilst Nursery and Secondary schools have increased balances overall of £0.422m.
 - With the impact of savings on local authority budgets in some instances, schools have had to buy additional services no longer offered by the Council.
 - The reduction in the level of Devolved Formula Capital funding has meant that schools will now have to contribute from revenue balances to support any future capital schemes.
 - Some schools had planned the use of some of their balances (brought forward from 2011/2012) and spent them in 2012/2013, whilst others have had to draw on balances to help them through restructures or to make recommended improvements.

4 Non-Schools General Fund Outturn 2012/2013

4.1 The Original Estimate for 2012/2013 estimated that balances for non-school budgets would total £3.711m at 31 March 2013; i.e. the assumption was that balances would not increase. The outturn for 2012/2013 shows that a net underspend of £2.865m has been achieved against this budget, i.e. increasing the level of General Fund Balances to £6.576m. This position also assumes the proposed transfer of £3.000m to increase certain earmarked reserves; Cabinet is asked to consider this later in the report.

4.2 In line with previous practice, savings agreed by the Council in October / November 2012 for future years, were approved for immediate implementation. This has led to an overachievement of the savings targets in some areas in 2012/13 (in order to achieve the targets for 2013/14).

4.3 Within this overall net underspending, there have been a number of significant variations in individual services. The major variances are highlighted in the following paragraphs: -

- a) **Corporate Commissioning** – The net underspend on this service of £0.310m. The major variations were:

An underspend on grants to voluntary bodies of £0.080m.

Underspends against supplies and services and additional income received within Business Intelligence & Performance (£0.083m).

An underspend within Members' Administration of £0.175m; this largely relates to the saving made against Members Allowances which has been built into the budget from 2013/2014.

- b) **Corporate Services** - The net underspend on this service of £0.542m. The major variations are:

An underspend against employee costs budgets and additional recharges to capital within the Legal Department (£0.180m).

Accumulated external funding from previous years, related to staff development and training within People Development, has been returned to the revenue budget in order for the Council to direct its future use for generic purposes (£0.220m). Underspensing has also occurred on employees and training costs (£0.113m).

- c) **Young People and Families** – There was an overall underspend on this service area of some £1.606m. The careful management of the budget has contributed to reduced costs for this area. This is in line with policies agreed by Council in March 2012 and will also help in the current year financial position. Such resources will be available to be directed to areas of greatest need.

The major variations included an underspend on Children in Need placements and care packages of £0.858m, which was as a result of careful commissioning, more robust placement strategies and a reduction in use of agency fostering placements due to the investment in creating additional internal Foster Care arrangements within the Borough.

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The Specialised Transport budgets are managed by the Street Scene Department on behalf of Children's Services and Adult Social Care. Both services show an overspend; a review is seeking to improve the commissioning of transport, and also improving budgetary control, within the Specialised Transport Unit in 2013/2014.

Underspends were also achieved in Early Intervention and Prevention 11+ services of £0.238m; Targeted Youth Support £0.251m; Schools Improvement service £0.224m; Other Learning and Support services £0.334m; unused inflation and growth on children's social care £0.807m. Some areas of overspending included Residency and Special Guardianship orders of £0.297m; Looked After Children £0.220m and the costs of Specialised Transport £0.500m.

- d) **Older People** - The overall net position for the service was an underspend of £0.892m the major variations of which are as follows:

Areas of underspending included the following: -

Due to a combination of factors, the Community Care budget underspent by £1.670m. A rigorous exercise to reclaim surplus, unspent Direct Payment funds; identification of income owing to the Council acting as Appointee for certain service users and some savings on Community Care projects in anticipation of future year savings options.

The Council also received £0.706m of additional funding from NHS Sefton to assist with Winter Pressures commitments and to fund the Single Point of Assessment Team.

The employee budgets underspent by £0.550m mainly as a result of voluntary early retirements and posts being held vacant to assist with savings options agreed for the next two years.

There were however, a number of areas of overspending: -

As reported to Cabinet in December 2012 there was an anticipated shortfall on the level of saving required in relation to the Supporting People programme for the year, resulting in an overspend on this budget of £1.375m.

Another significant variation for the year was an overspend of £0.927m on the Specialist Transport Unit recharge for the transportation of service users to Day Care facilities.

As stated above, the Specialised Transport budgets are managed by the Street Scene Department on behalf of Children's Services and Adult Social Care. Both services show an overspend; a review is seeking to improve the commissioning of transport, and also improving budgetary control, within the Specialised Transport Unit in 2013/2014.

In approving the Budget for 2013/2014 in February 2013, Council acknowledged that any overachievement of the savings target for 2012/2013 would be available to help balance the budget in 2013/2014, should there be any shortfalls in budget saving targets.

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e) **Health and Wellbeing** – There was an overall underspend of £0.791m on this service, the main variation being in relation to premises budgets. Expenditure on utilities was £0.612m less than budgeted – as part of the MTFP savings exercise there is a £0.200m reduction in this budget area in 2013/2014. The repair and maintenance budgets across all leisure facilities were underspent by £0.117m, as only urgent works and essential health & safety work was undertaken, this however, cannot be sustained in the long term and proactive maintenance will have to be undertaken to ensure the facilities are fit for the customer.

f) **Built Environment** – There was a net underspend of £0.014m on services within this Department, the main variations being as follows:

As a result of the relatively harsh winter, the budget for winter maintenance (predominantly road gritting) was overspent by £0.201m.

Car parking income was lower than the budgeted with a total £0.433m shortfall reported. However, £0.200m of this shortfall had already been anticipated at the start of the financial year with the resultant agreement to fund this from central reserves. The remaining £0.233m income shortfall was partly offset by underspends elsewhere within the parking budget (notably an underspend of £0.172m on supplies and services budgets).

Savings on vacant posts contributed to underspends on some employee budgets, These included underspends of £0.251m within the Environment and Planning budgets. There were further underspends on Environment supplies and services budgets of £0.129m.

Additional income for room hire at the Southport Theatre and income generated from conference facilities contributed £0.104m in excess of budgeted levels. Excess income from events also produced an underspend (£0.090m).

g) **Street Scene – Direct Services** - There was an overall underspend of £0.917m on this service. Street Cleansing was underspent by £0.561m which was mainly due to a reduction in employee spend pending introduction of new working practices in 2013/2014 to achieve approved savings. Recycling was underspent by £0.565m because a number of recycling services now form part of the new core recycling contract. These budgets have now formed part of the savings approved for 2013/2014. Also, there was an additional surplus due to increased recycling credits from green waste.

h) **Street Scene – Landscape Services** – There was an overall underspend of £0.448m on this service. There were a number of underspends in this area including Employees (£0.196m) and Cemeteries and Crematoria Additional Income (£0.297m).

i) **Debt Repayment / Net Investment** - There was an underspend of £1.106m on debt repayment / net investment during the year. This was the result of better investment returns on temporary monies held by the Council and particularly the lower than planned need for borrowing from the Public Works Loan Board.

j) Other areas where there are variations to the budget include an additional contribution to the Housing Benefit Bad Debt Provision of £0.350m and a contribution to the costs of the ~~Atkinson~~ Centre of £1.050m (previously reported to

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Cabinet). In addition, the Council has received VAT Shelter monies during the year totalling some £0.650m (arrangement with One Vision Housing). Members should note that, over the next two years, the Council has agreed that the VAT shelter monies will be used to fund the budget shortfall. In the current year, it has been used to support the ongoing pension costs for the ex-Council staff now working with OVH.

4.4 As a result of the above underspending, it is therefore recommended that the following transfers to provisions / reserves are made:

a) **Capital Priorities Fund - £1.000m** – Council on 28 February 2013 agreed to the establishment of a new one-off fund to invest in Council priorities including town centres, youth employment and local economy. This is to be funded from the resources transferred back to revenue following the settlement of outstanding legal claims at a figure below the provision made.

b) **Business Rates Appeals / Reduction in Income - £1.200m** – From 2013/2014 the Council will retain 49% of Business Rates paid in the Borough. The Council has budgeted for a level of receipts in 2013/2014 and 2014/2015 but there is a risk that this income will not be achieved due to the potential impact of appeals and current economic situation. It is considered prudent to set-aside resources to offset the potential loss of income.

c) **Strain on the Fund Pension Costs - £0.800m** – Given the scale of savings required by the Authority over the next two years there will be pension costs associated with early retirements. It is therefore proposed to fund some of the costs incurred in 2012/2013 from the underspend rather than by utilising all of the reserve available for this purpose. This will mean that this reserve is available to fund the future costs rather than requiring other resources to be identified.

4.5 Council on 28 February 2013 agreed to the establishment of a new one-off **Community Transition Fund of £1.000m**. The aim of this resource was to facilitate, where possible, the transfer of certain services to become community run and self sustaining. This was to be funded from one-off resources that had previously been earmarked to support the likely shortfall in 2012/2013 budgeted savings. However, this shortfall has been funded from other underspends in the year meaning the resources are available to create the Fund. Therefore this transfer has no impact on the in-year underspend.

4.6 Elsewhere on the agenda, is a report which identifies the latest position on the achievement of agreed budget savings for the two-year budget plan (2013/2014 and 2014/2015). Specifically, the report identifies a number of risks associated with the delivery of a number of those savings. This emphasises the importance of having sufficient levels of reserves to enable the Council to manage its budget effectively, in the event of any shortfall. For example, an underachievement / slippage of 5% on the two-year financial plan would result in the need to identify £2.5m of additional resources. Members should also note the future financial risks associated with the introduction of the Council Tax Reduction Scheme and the new arrangements for National Non-Domestic Rates. The importance of maintaining reserves at adequate levels cannot be over-emphasised.

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4.7 The overall impact of these changes is to reduce the in-year underspend from £5.865m to £2.865m. The table below summarises the position: -

	£m
Corporate Commissioning	-0.310
Corporate Services	-0.542
Young People and Families	-1.606
Older People	-0.892
Health and Wellbeing	-0.791
Built Environment	-0.014
Street Scene – Direct Services	-0.917
Street Scene – Landscape Services	-0.448
Debt Repayment / Net Investment	-1.106
Housing Benefit Bad Debt Provision	0.350
Atkinson Centre overspend	1.050
VAT Shelter receipts	-0.650
Other Net Variations	0.011
Net Underspend on Services	-5.865
Transfers to Earmarked Reserves:	
Capital Priorities Fund	1.000
Business Rates Appeals / Reduction in Income	1.200
Strain on the Fund Pension Costs	0.800
Community Transition Fund	-
Net Underspend - Transfer to General Balances	-2.865

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Report to: Cabinet **Date of Meeting:** 12 September 2013

Subject: **Approval of the Formby and Little Altcar Neighbourhood Plan area**

Report of: Director of Built Environment **Wards Affected:** Harington, Ravenmeols

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

Exempt/Confidential No

Purpose/Summary

To ask Cabinet to approve an application by Formby Parish Council to have a Neighbourhood Plan area designated.

Recommendation

That Cabinet approves that the application for the combined area of Formby and Little Altcar parishes to be designated as a single Neighbourhood Plan area under Regulation 7 of the Neighbourhood Planning (General) Regulations 2012.

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 Council is required to determine applications for the designation of Neighbourhood Plan areas under the provisions of Part 2 of the Neighbourhood Planning (General) Regulations 2012.

What will it cost and how will it be financed?

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(A) Revenue Costs

There is no specific budget set aside for Neighbourhood Planning. The Local Planning Authority can claim £5,000 for each Neighbourhood Plan area designated from the CLG. Other costs arising from the statutory requirement to support the preparation of Neighbourhood Plans will be met from within the 2013/14 Planning Department's (Planning Policy) Revenue budget.

(B) Capital Costs

None

Implications:

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

Legal Incorporated into the report
Human Resources None
Equality 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:

Planning Services (the Local Planning Authority) has a statutory duty to provide assistance to groups proposing to prepare a Neighbourhood Plan. This must not deflect from the preparation of the Sefton Local Plan.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD 2515/2013) has been consulted and notes the additional revenue costs and funding available from CLG.

Head of Corporate Legal Services (LD1820) has been consulted and has no any comments to make on the report.

Are there any other options available for consideration?

No, it is a statutory requirement to determine applications for the designation of a Neighbourhood Plan area.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet meeting on 18th September, 2013

Contact Officer: Ingrid Berry

Tel: 0151 934 3556

Email: Ingrid.berry@sefton.gov.uk

Background Papers:

The following papers are available for inspection by contacting the above officer and on the web at www.sefton.gov/neighbourhoodplanning .

- *Application by Formby Parish Council for the designation of a Neighbourhood Plan area for Formby parish.*
- *Minute of Little Altcar Parish Council agreeing to collaborate with Formby Parish Council so that the Neighbourhood Plan includes the whole of Formby and thus includes both Parish Council areas.*

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1. Introduction/Background

- 1.1 In March Formby Parish Council submitted an application to have Formby parish designated as a Neighbourhood Plan area. The application included a brief statement indicating why they consider the boundary is appropriate and the topics the Plan will cover. This is appended to the report.
- 1.2 This is the first application that Sefton Council has received, and the designation of a Neighbourhood Plan area is the first step to preparing a Neighbourhood Plan in parished areas. In other areas, a Neighbourhood Forum has to be established first or concurrently with the application to designate a Neighbourhood Plan area.
- 1.3 In parished areas, Neighbourhood Plans are prepared by Parish Councils, supported by the Council through Planning Services. This new tier of plan-making was introduced by the Localism Act 2011.
- 1.4 If adopted, and following a successful referendum of the local community, the Council must approve the Neighbourhood Plan as part of the Development Plan / Local Plan. Its policies would supersede any relevant policies in the Council's emerging Local Plan. The Neighbourhood Plan would be used to determine planning applications in the Neighbourhood Plan area. The Neighbourhood Plan does not have to cover all the same topics as the Local Plan, but should be consistent with its strategic policies. It can contain a limited range of policies or be more wide-ranging.
- 1.5 Planning Committee received initial training on Neighbourhood Planning in July and August 2012 and further training in August 2013. Presentations were also given to all Area Committees about this new tier of planning during autumn 2012, and to the 10 Parishes, individual Parish Councils and other groups potentially interested in preparing a Neighbourhood Plan on demand.
- 1.6 Council approved a 'scheme of delegation' for Neighbourhood Planning in January 2013 (Minute 83). The report indicated that the decision to designate a Neighbourhood Plan should be taken by Cabinet if the proposal relates to a 'key decision'. This applies to this application which now relates to 'the whole of Formby' because it could affect a significant number of people living or working in two or more wards.

2. The application

- 2.1 The original proposal for the designation of a Neighbourhood Plan area only covered Formby parish. In accordance with the Neighbourhood Planning (General) Regulations 2012, the application and plan of the proposed Neighbourhood Plan area were advertised on both Sefton Council's and Formby Parish Council's websites and on Sefton Council's website. Seven responses were received (see section 3 below for a summary of the comments and our response).
- 2.2 The application, including the statutory statement about why the Neighbourhood Plan area is considered to be appropriate, and why the Parish Council is an

appropriate body to prepare a plan in accordance with the requirements of Section 61F(5) of the Localism Act 2011 is appended to this report.

2.3 The Neighbourhood Plan is proposed to include policies covering:

- Safety and security
- The local economy
- The environment
- Health and well-being.

2.4 No further information about what the Plan will cover is yet available, although it is understood that it will include policies and proposals relating to traffic, existing and proposed employment sites, and the village centre. There are currently no proposals to include issues relating to the provision of housing.

3. Consultation responses

3.1 Seven responses were received. Five were from local residents who felt that the Neighbourhood Plan should cover both parishes, although this was not the proposed Neighbourhood Plan area. One also indicated that they thought it was a good idea the Neighbourhood Plan was being prepared by the church (this respondent was under the misapprehension that the Plan was the responsibility of the Church).

3.2 United Utilities also commented on the proposal. They also considered that the Neighbourhood Plan should cover both parishes, in part because the Formby Waste Water Treatment Works is located in Little Altcar. Any expansion to the WwTW to support the Neighbourhood Plan's plans for growth would be dependent on another Neighbourhood Plan area which may not benefit from the change. In addition, areas of the Neighbourhood Plan area are served by private wastewater treatment facilities, which must be taken into account when drafting policies for the Neighbourhood Plan.

3.3 The final comment was from Turley Associates, the agents acting for the developers of the 'Liverpool Road' site, which is also located in Little Altcar. This is one of the proposed housing allocations in the Local Plan Preferred Option document which we are currently consulting on until 27th September. A planning application was submitted for housing on this site on 26th July, 2013.

3.4 Turley Associates object to the proposal on the following grounds:

- Prematurity, as the Neighbourhood Plan would be unable to be positively prepared to meet the development needs of the area and be aligned with the strategic needs and priorities of the wider local area and be in general conformity with strategic policies in the Sefton Local Plan;
- Aims and objectives – of the 4 themes to be included in the Plan, only the 'local economy' relates to spatial planning; notably there is no reference to housing or other forms of development. Consequently, they do not see how it can 'positively and proactively' plan for new development or how it will conform with

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the emerging Local Plan which identifies Formby as one of the main settlements in Sefton and a location for future growth.

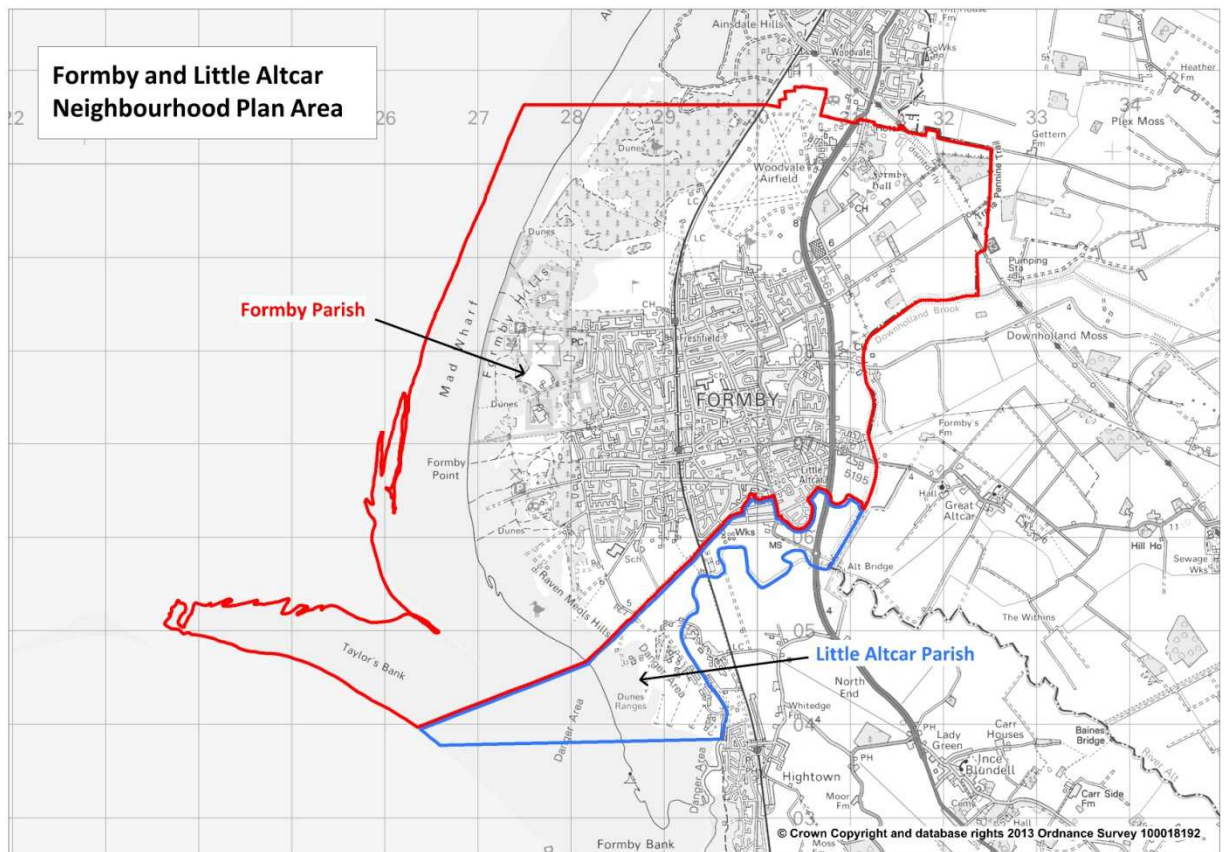
- The Plan area should also cover Little Altcar parish.

3.5 The application has been considered by Planning Committee on 21st August, 2013 who resolved that Cabinet should approve the application, and by the Central Area Committee on 4th September. Any comments made will be included in an update report.

4. Response to the comments received as a result of the consultation

4.1 In determining the application the Council must, in accordance with Section 61G of the Localism Act 2011, consider the 'desirability' of designating the whole or part of the area as a Neighbourhood Plan area. In a letter to another LPA, Nick Boles MP, the Planning Minister stated that the Plan area should have "coherent, consistent and appropriate" boundaries.

4.2 LPAs cannot require a Neighbourhood Plan to cover a larger area, particularly if this includes land in another parish without the other parishes' consent, but it can exclude certain areas if this can be justified. However, any changes would be subject to judicial review.



4.3 As the above plan shows, a Neighbourhood Plan which meets the Planning Minister's criteria can only be achieved if the Neighbourhood Plan covers both Formby and Little Altcar parishes, as it would be inappropriate for the plan to exclude the Little Altcar area. Partly this is because Little Altcar contains the

Powerhouse site (which is included in the SHLAA, part of the Local Plan's evidence base), as well as two of the Local Plan's Preferred Option's proposed housing allocations for Formby (including the 'Liverpool Road site' which is the subject of a current planning application) and two 'reserve' housing sites, all of which will impact on the services and facilities in the rest of Formby. Little Altcar also contains the Formby waste water treatment works, and the main (southern) entrance to Formby.

- 4.4 This view coincides with the consultation responses that the Neighbourhood Plan area should cover the whole of Formby. Consequently, Formby Parish Council was encouraged by planning officers to discuss with Little Altcar Parish Council whether they could prepare a joint plan. This would not only make sure that the Neighbourhood Plan covered the whole settlement, but would also enable residents of Little Altcar to take part in the referendum which is held before the Neighbourhood Plan becomes part of the statutory Development Plan for Sefton.
- 4.5 Following discussions between the two parish councils, Little Altcar Parish Council resolved in June that it "should collaborate with Formby Parish Council and that the Neighbourhood Plan should include the whole of Formby and thus include both Parish Council areas".
- 4.6 Formby Parish Council has subsequently confirmed, at an extraordinary meeting on 6th August, 2013 that the application should be amended "to include the whole of Formby i.e. to include the parished area of Little Altcar", and has submitted a revised plan showing both parishes being included in the proposed Neighbourhood Plan area, as shown on the above plan.
- 4.7 To date most Neighbourhood Plans have been prepared after a Core Strategy or Local Plan has been adopted. However, this is not essential. Three Neighbourhood Plans, at Slaugham (Sussex), Tatten Hall and Winsford (both Cheshire), are about to be examined having been produced in advance of their relevant Core Strategy or Local Plan. The key thing is that the Neighbourhood Plan needs to comply with the strategic content of the Local Plan, and must propose the same amount of development as the Local Plan, or more. Consequently, the Head of Planning Services does not agree that the preparation of a Neighbourhood Plan for Formby is necessarily premature, provided these requirements are met. The Neighbourhood Plan could progress in tandem with our emerging Local Plan.
- 4.8 It is not possible to say precisely what the Neighbourhood Plan will cover at present (see paragraphs 2.3 and 2.4 above). There is no requirement for Neighbourhood Plans to include housing, nor is there any provision in the Regulations for a Neighbourhood Plan area to be rejected because of its proposed content. Where a proposed Neighbourhood Plan only proposes to cover non-spatial elements or is aspirational in content, LPAs are advised to suggest that a different form of guidance e.g. a Parish Plan, Design Statement, Supplementary Planning Document (SPD) or some other document is produced instead.

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4.9 In Sefton, the emerging Local Plan is proposing to allocate sites for housing in both parishes to meet identified needs, as well as land for a Business Park in Formby parish. If the Parish Councils decided they wanted to include housing as a topic, the role of the Neighbourhood Plan would be either allocate more or alternate sites to those prepared in the emerging Local Plan, or it could include, for example, policies about what they want the proposed housing and employment development to look like, what open space and other facilities should be provided, and what priorities any potential Community Infrastructure Levy (CIL) payments would be for the area. If a Neighbourhood Plan is in place, Parish Councils receive 25% of any CIL raised.

4.10 The Neighbourhood Plan should not replicate the contents of the Local Plan and do not have to be mini-Local Plans. As stated previously, it must be consistent with the strategic content of the (emerging) Local Plan. Officers need to ensure that this is addressed as the Neighbourhood Plan becomes more detailed and more advanced.

5. Other Neighbourhood Plans in the offing

5.1 Melling Parish Council has also resolved to produce a Neighbourhood Plan for their area, although the application has not yet been submitted.

6. Next steps

6.1 The Council must publish on its website its decision on whether it has approved or rejected the application to have the Neighbourhood Plan area designated as soon as possible after the decision has been taken, together with a map of the approved area and the names of the organisations promoting the Neighbourhood Development Plan. The approval of the Neighbourhood Plan area means that no other Neighbourhood Plans can be progressed in Formby.

6.2 Once the Neighbourhood Plan area has been approved, the Local Planning Authority can claim the first £5,000 from the CLG towards the costs of supporting communities preparing a Neighbourhood Plan.

7. Conclusions

7.1 As the proposed Neighbourhood Plan area now covers the whole of Formby (i.e. both Formby and Little Altcar parishes), it is recommended that Cabinet approves that the combined area of Formby and Little Altcar parishes as a single Neighbourhood Plan area under Regulation 7 of the Neighbourhood Planning (General) Regulations 2012.

APPENDIX - Formby Parish Council Neighbourhood Plan application



Application from: Formby Parish Council

Subject: Application for Designated Area Status
For the purposes of creating a
Neighbourhood Development Plan
For the Parish of Formby

Contents:

- 1 Map identifying the boundaries of the Parish of Formby
-The area to which this application relates (*included in the main report above*).
- 2 A statement explaining why the area confined within Formby Parish Boundary is considered appropriate to be designated as a Neighbourhood Area.
- 3 A statement that the organisation making the area application is a relevant and / or qualifying body for the purposes of the Localism Act 2011.

Formby Parish Council
Formby Library
Duke Street
Formby
L37 4AN
Tel: 01704 395955
parishclerk@formbyparishcouncil.org.uk

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2. Statement explaining why the area confined within the Formby Parish Boundary is considered appropriate to be designated as a Neighbourhood Area.

Formby Parish Council operates within the confines of the Formby Parish Boundaries, as shown on the enclosed map.

The area as illustrated on the map is considered appropriate to be designated as “The Formby Parish Neighbourhood Area” since it is already administered by Formby Parish Council.

The chief aim of the Formby Parish Council is to create a Neighbourhood Development Plan, based on consultation with key local interest groups and a wide cross section of residents, which will ensure, through planning guidance and in conjunction with Sefton MBC’s Local Plan, the parish develops in such a manner as to protect Formby’s natural environment and maintain its attractiveness to encourage the tourist economy, whilst providing for the needs of residents and building a viable economic future.

The Plan will cover the following themes, to include all or any related areas:

- Safety and Security
- Local Economy
- Environment
- Health and Wellbeing

3. Statement explaining why Formby Parish Council is considered to be an appropriate body to prepare a Neighbourhood Area.

Formby and Little Altcar Parish Councils are ‘qualifying bodies’ for preparing a Neighbourhood Plan under the provisions of Section 61E(6) and 61F(1) and (2) of the Localism Act 2011.

Report to: Cabinet **Date of Report:** 12 September 2013

Subject: Liverpool City Region Business Grant Programme

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

Is this a Key Decision? Yes **Is it included in the Forward Plan?** No
Rule 27 Consent given

Exempt/Confidential: No

Purpose/Summary

The purpose of the report is to update Cabinet about the £10m and £5m Liverpool City Region (LCR) Business Growth Grant Programme (funded by Regional Growth Fund Rounds 3 &4) and approve the way forward in delivering these funds in Sefton.

Recommendations:

That Cabinet:

1. Authorises the Director of Built Environment in consultation with the Head of Corporate and Legal Services to sign the Partnership agreement between the Liverpool City Region Local Enterprise Partnership and Sefton MBC for the delivery of the LCR Business Growth Grant Programmes in Sefton, as set out in Annex A to the report
2. Authorises the Director of Built Environment to approve completed business applications with final sign-off of grant offer letters by Cabinet Member - Regeneration and Tourism.
3. Notes the proposed mechanism and approach to be used to deliver the funds to Sefton businesses including the establishment of a Sefton RGF Grant Steering Group as set out in Annex B of the report
4. Notes that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the Partnership agreement to deliver the fund has only recently been issued by the LCR Local Enterprise Partnership and to delay a decision could result in a late start to programme delivery and potential grant funding opportunities for Sefton businesses

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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(s):

To enable progress to be made in respect of developing the process and strategy for Sefton grant awards to businesses

What will it cost and how will it be financed?

(A) Revenue Costs

Regional Growth Funding is for capital projects only. However the Economy & Tourism service (via Invest Sefton) will receive an income of at least £1,500 for each grant award made. The actual remuneration method and amount is the subject of ongoing discussions with the LCRLEP. The current level of grant is sufficient to cover the estimated costs of grant processing.

(B) Capital costs

All grants payments will be met by Regional Growth Funding. Delivery will be managed by the Invest Sefton service. There is no call on Council funding. However Council financial procedures will be used to make grant payments to businesses which are reclaimed directly from a dedicated RGF Escrow account managed by the Liverpool City Region Local Enterprise Partnership (LCRLEP).

Implications:

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

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Legal The LCRLEP is the accountable body for the Business Growth Grant Programme. In order to participate in the programme the council is required to enter into a partnership agreement with LCRLEP. (Annex A)

Human Resources Delivery in Sefton will be managed by the Invest Sefton service through existing resources.

Equality

- | | |
|---|-------------------------------------|
| 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:

The programme will enhance service delivery by allowing Invest Sefton to support business growth propositions with RGF grants. The work can be absorbed through the existing team.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD2494) has been consulted and notes the report indicates:

1. the revenue costs of grant processing will be covered
2. the benefits to the Sefton economy for grants successfully awarded

The Head of Corporate Legal Services has been consulted and comments have been incorporated into the report (LD1799)

Are there any other options available for consideration?

Not to deliver Regional Growth Funding in Sefton would be to forego a major funding opportunity, at a time of financial and economic constraint. If Sefton did not participate in the programme monies would simply be utilised in other LCR local authority areas.

Implementation Date for the Decision

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

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

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Background Papers:

None

The following documents can be accessed on the Council's web site via these links:

Annex A

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1621&ID=1621&RPID=7503607&sch=doc&cat=13197&path=13158%2c13197>

Annex B

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1622&ID=1622&RPID=7503611&sch=doc&cat=13197&path=13158%2c13197>

Background

1. LCRLEP has been successful in securing £10m Regional Growth Fund (RGF) Round 3 for a new investment fund to support business growth projects from £50,00 up to £1,000,000 in the city region. Invest Sefton contributed to the bid by identifying a range of potential 'oven ready' projects that, with grant support, could create new job opportunities. LCRLEP has also been successful in securing an additional £5m to deliver a smaller grants (sub £50,000) programme in the LCR. The latter programme is has been approved by the Department of Communities and Local Government and is now subject to due diligence which should be completed by 30 September.
2. The Business Growth Grant is a £10 million investment programme funded by the Government through the RGF. It is administered by LCRLEP in conjunction with the City Region's Local Authorities (LA's). The Business Growth Grant has been designed for companies who are unable to bid directly into the Government RGF programme which has a grant application limit of £1 million. Typically the Programme will look to award grants of between £50,000 and £1,000,000. The pending Round 4 programme will support sub £50,000 applications. The Partnership agreement covers both funds.
3. The Programme has several stated objectives, although its overarching aim is to create jobs and secure private sector investment within the Liverpool City Region. Preference will be given to those projects that make the greatest contribution to these objectives. For each £1 of grant the expectation is that the project will generate at least £5 of private sector leverage, this means if a grant of £100,000 is awarded the beneficiary must demonstrate how they will leverage in a further £500,000 of investment. This Programme target should be adhered to wherever possible.
4. Eligible costs can include:
 - Capital Expenditure including: plant, equipment, buildings, and adaptations.
 - Investment in new technologies
 - Systems
 - Software
 - Employment aid
 - Training aid

The list is not exhaustive and other eligible expenditure that leads to business growth can be considered.
5. In the event of a Combined Authority being agreed for the City Region, then the current proposal is that accountable body arrangements would not be altered or novated, and would remain with the LEP. For avoidance of doubt – Sefton Council is neither the funder nor the accountable body for this project, but performs a delivery role.

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How the project will work in Sefton

6. The LCRLEP is the lead organisation for the Programme and will work alongside LA partners to develop workable expressions of interest. In order to have a clear separation of duties the full appraisal will not be carried out by the LCRLEP.
7. LA's have responsibility for appraisal and payment with monies reclaimed from the LCRLEP. Invest Sefton, part of the Economy and Tourism service, will manage delivery in Sefton. Invest Sefton already manages the existing Stepclever Legacy Fund programme and has the necessary expertise, with over 18 years experience of similar initiatives, to deliver a wider programme..
8. The scheme would utilise the existing Invest Sefton grant appraisal process used for the Stepclever Legacy Fund. Invest Sefton's Business Support and Finance Specialists will undertake full appraisal of eligibility, state aid compliance, value for money and fit with scheme objectives. (Corporate Legal Services will be advised of any State Aid implications.) The team also has a dedicated Access to Finance Business Support Specialist working in the field and will develop on the ground propositions with Sefton businesses
9. However the final approval mechanism is to be revised as the existing Stepclever Investment Steering group is restricted to just two wards in Sefton (Derby/Linacre). Instead the Sefton project will establish its own internal RGF Grant steering group to oversee awards in the borough. The group will be chaired by Cabinet Member Regeneration, Housing and Tourism with membership drawn from Economy & Tourism, Finance and potentially the private sector. The group will have its own Terms of Reference, to be shared with Corporate Legal Services in due course. The Sefton application process is shown in Annex B.
10. In terms of Appraisal the LEP is proposing delegated approval to LA members. In Sefton this will involve Invest Sefton bringing forward completed applications which have been appraised internally, and vetted by the LCRLEP's Consistency and Competitiveness Group, for final approval by Cabinet Member Regeneration Housing and Tourism following consideration by the aforementioned Sefton RGF steering group.
11. Upon approval this will trigger an offer letter to the applicant with associated terms and conditions. Invest Sefton will then arrange to pay the grant on key milestones, most notably defrayed expenditure incurred by the company and job creation. The latter will include automatic referral to Sefton@Work. The monies will then be repaid to the council by the LCRLEP from an Escrow account within 30 days of grant award.
12. The LEP is proposing a payment of £1,500 per successful application to LA's. However this is the subject of further discussions as the general consensus is that remuneration should properly reflect both risk and local project management accountabilities. Discussions on remuneration to LA's will

continue. However based on awarding 4 grants the minimum Sefton would receive is £6,000 in income. The cost of processing this (based on two days per award) is £681 per award (total=£2,724). Invest Sefton will absorb these costs through existing staff resources.

12.1 The company and its Directors must be solvent

Each appraising authority has access to a recognised credit check facility which can identify the credit score of a registered UK company.

As part of the appraisal process, the appraising authority will identify the current financial status of the company.

12.2 Non-displacement

The applicant must detail why the project will not disadvantage any local competitors or displace any jobs within the city region. Jobs created must be newly created posts thus adding to the net employment figures within the city region. This information will be authenticated through research and knowledge of local businesses.

12.3 The project must result in job creation and / or jobs safeguarded

The project must result in job creation and a view will be taken on value for money against the number of jobs being created. It is expected that each new job created will cost circa £10-12K. This is the benchmark on how value for money will be appraised. It is important to note however that the process will also factor in both longevity and sustainability of any jobs created.

Full time job = one job of 30 or more hours per week or two part time jobs at 15 or more hours per week

Job safeguarded = a job that would otherwise be lost without the intervention of the grant

12.4 Value for money

The Business Growth Grant is open and competitive and therefore only the projects that can demonstrate outstanding value for money will be successful. The below criteria will all be fully assessed and benchmarked in the project appraisal:

- Grant Requested
- Number of Jobs Created
- Number of Jobs Safeguarded
- Private Sector Investment Leveraged
- Total Investment resulting
- Total eligible project costs
- Cost per job in relation to Grant funding provided
- Inward Investment

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12.5 Additionality

The Appraisal will include a narrative on *additionality*. This, in basic terms, is measuring what would happen without grant investment. The aim of the programme is to deliver investment to the city region that would otherwise be lost.

12.6 The Programme must lever in private sector investment as a ratio of at least £5:£1 of grant funds

This is a key element of the Programme and should be the goal of each project. Evidence of investment and its origin must be documented at full application stage. Private sector investment can include bank funding and equity investment.

12.7 The business must be located in the Liverpool City Region

Applicants must be located in one of the boroughs of the Liverpool City Region (Liverpool, Wirral, Sefton, Knowsley, St. Helens, Halton)

12.8 Must comply with EU State Aid regulations on support to undertakings

State Aid refers to forms of assistance from public funds which have the potential to distort competition and affect trade between member states of the European Union.

State Aid rules allow aid that promotes economic development and other legitimate policy objectives where the benefit outweighs any distortion of competition

The European Commission is obliged by law to order the recovery of any aid from the beneficiaries that has not been properly notified to and approved by the Commission and that has later been found to be in breach of the rules. This involves repayment with interest to the public authorities that granted the aid, which could be devastating to firms awarded the aid. Money must be clawed back even if this means the company concerned goes bankrupt. This condition is built into all grant offer letters to successful applicants.

In order to grant legitimate aid from public funds they must meet either the General Block Exemption Regulations (GBER), meet the De Minimis requirements, or be located in a designated Assisted Area.

Assisted Areas

13. For the most part the Liverpool City Region is a designated Assisted Area. This means that the European Commission has identified this area as being particularly exposed to market failure and businesses located here can be considered for grant support. It is important to note that there are some notable exceptions to this coverage; parts of Sefton, Wirral, and all of Halton are not

designated assisted areas and as such will be eligible for different levels of support. Each potential project needs to be aware of their status before an expression of interest is submitted.

14. Different levels of aid apply depending on the size of a company. Company classification for state aid purpose is shown below:
- A **large-sized** company is defined as employing over 250 staff and turnover greater than 50m Euros. (£40.6m), balance sheet greater than 43m Euros (£35m).
 - A **medium-sized** enterprise is an enterprise satisfying all of the following criteria:
 - has fewer than 250 employees and
 - has either an annual turnover not exceeding EUR 50m (£40.6m), and/or a balance-sheet total not exceeding EUR 43m, (£35m).
 - A **small enterprise** is an enterprise that satisfies all of the following criteria:
 - has fewer than 50 employees and
 - has either an annual turnover and/or a balance-sheet total not exceeding EUR 10m. (£8.1m)
 - A **micro-enterprise** is an enterprise that satisfies all of the following criteria:
 - has fewer than 10 employees and
 - has either an annual turnover and/or a balance-sheet total not exceeding EUR 2m, (£1.6m).

Monitoring & Compliance

15. Each LA will have responsibility to ensure that projects are carried out in compliance with offer letters. While offer letters will carry standard RGF terms and conditions LA's will be able to include additional milestones which must be met before grant is paid to approved projects. A key milestone is job creation and LA's are required to monitor these on a regular basis. From a Sefton perspective there is the opportunity to maximise local job opportunities through Sefton@Work services.
16. There are inherent risks arising from the delivery of any grant related programme, most notably claw back in the event of maladministration or default. These are mitigated through robust financial and internal project management arrangements. Invest Sefton already has well developed grant procedures built up over the past 18 years through various regeneration led programmes which includes the current Stepclever Legacy Fund. This will be enhanced with the introduction of Sefton RGF grant steering group to oversee awards in the borough.

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17. In addition to standard RGF terms and conditions LA's are able to build in additional requirements in grant offer letters to businesses. This includes grant claw back in the event of any default.
18. Invest Sefton business staff will support Sefton applicants through this process. Expressions of interest will be received by the LCRLEP and LAs, these will be shared and a joint decision taken on whether they should be invited to full application. A Consistency and Competitiveness group will have sight of all full applications before they can be approved by the LA. Each LA will be represented on this group. The group will determine if the application demonstrates value for money against an agreed criteria and also if there is sufficient resource in the Programme to fund the project. It is important to note that the group does not approve or reject projects but decides if they are able to go forward to the LA process.
19. If applications successfully pass through the value for money process they can go forward to appraisal. Local Authorities have responsibility for appraisal. The LEP will act as Accountable Body for the Programme and will be responsible for ensuring programme performance and compliance to ensure that activities supported fit within the objectives, value for money and an efficient use of public resource. The LCRLEP has appointed dedicated a Programme Manager to deliver and manage the Programme. Robust monitoring, evaluation and audit systems are in place to ensure the specific requirements of the Programme are met.
20. The programmes provide an excellent opportunity to support business growth and job creation in Sefton in what still is a particularly challenging economy and regular updates will be reported to Cabinet Member Regeneration, Housing and Tourism. There is also an opportunity to generate income for Economy and Tourism through fees paid for each grant awarded.
21. The same procedures and delivery arrangements will also apply to the pending RGF programme which will offer smaller grants of up to £50,000.

Agenda Item 9

Report to: Cabinet **Date of Meeting:** 12th September 2013

Subject: A5758 Broom's Cross Road (Thornton to Switch Island Link Road) - Notice to Proceed to Construction

Report of: Director of Built Environment **Wards Affected:** Park, St Oswald, Netherton and Orrell, Molyneux, Manor, Sudell

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

Exempt/Confidential No

Purpose/Summary

To seek authority to issue the Notice to Proceed to Construction to the contractor to begin construction of the proposed Thornton to Switch Island Link and associated works.

Recommendation(s)

That the Director of Built Environment be authorised to issue the Notice to Proceed to Construction to the appointed contractor to commence construction of the A5758 Broom's Cross Road (Thornton to Switch Island Link), subject to the following :

- Completion of the acquisition of land and rights required for the scheme through either the compulsory purchase process and / or negotiation; and
- Discharge of the planning conditions required to be satisfied in advance of construction; and
- Confirmation of Full Approval status from the Department for Transport.

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	✓		

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7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

A Notice to Proceed to Construction is required to be issued as part of the contract arrangements for the A5758 Broom's Cross Road scheme before the contractor appointed to deliver the scheme can commence construction. The Notice to Proceed to Construction has to be issued by the Council's Project Manager, who is the Director of Built Environment.

What will it cost and how will it be financed?

(A) Revenue Costs

None

(B) Capital Costs

Cabinet approved the spend profile for the scheme for 2009/10 – 2012/13, totalling £5.912m on the 1st October 2009. The allocations were included in the Capital Programme 2010/11 – 11/12 approved by Cabinet on the 4th March 2010. Revised allocations for 2013/14 – 2014/15 were presented to Cabinet as part of the Capital Programme on 28th February 2013.

In February 2011, the DfT advised that Sefton Council's Best and Final Funding Bid for the Thornton to Switch Island Link scheme had been approved and that funding for the scheme was confirmed. The funding approval letter confirmed that the DfT will provide a maximum capped funding contribution of £14.5m towards the estimated scheme cost of £18.588m. The contribution will be paid as capital grant under Section 31 of the Local Government Act 2003. The full capital cost of the scheme, including the Government contribution has been included in the Council's capital programme.

All proposed commitments are contained within the Council's previously approved allocation in the medium term financial plan and in accordance with the funding profile reported to Cabinet on 28th February 2013.

Implications:

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

Legal

Under the terms of the contract with Balfour Beatty Civil Engineering Ltd, the construction of the scheme cannot commence until the formal Notice to Proceed to Construction has been issued by the Council's nominated Project Manager (Director of Built Environment). Notice to Proceed to Construction should not be issued until all the

land and rights required have been acquired, the relevant planning conditions discharged and confirmation of full approval and funding commitment has been received from the Department for Transport.

Human Resources

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"/> |

Impact on Service Delivery:

Completion of the Thornton Link scheme will relieve congestion and improve safety and environmental conditions in the Thornton and Netherton areas, reduce rat-running through the Sefton villages and improve links to Formby and Southport from the motorway network.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2502) and Head of Corporate Legal Services (LD1810) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

None

Implementation Date for the Decision

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

Contact Officer: Stephen Birch Team Leader STPU

Tel: 0151 934 4225

Email: stephen.birch@sefton.gov.uk

Background Papers:

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

Letter from Government Office for the North West – 24th January 2011 - Town and Country Planning (Consultation) (England) Direction 2009. Thornton – Switch Island Link, Dunnings Bridge Road, Netherton

Letter from Department for Transport Regional and Local Major Projects Division – 4th February 2011 – Funding Approval and Reconfirmation of Programme Entry

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1. Introduction/Background

- 1.1 A report to Cabinet on the 3rd March 2011 advised Members of the progress of the Thornton to Switch Island Link scheme. Members were advised that the Government had accepted Sefton Council's Best and Final Funding Bid for the Thornton to Switch Island Link scheme and that funding for the scheme was confirmed, subject to the conditions set out in the letter from the DfT. The Council's medium term capital programme was amended accordingly. In addition, Government Office North West had advised the Council's Planning Department that they did not intend to 'call in' the proposal for a Public Inquiry. Consequently, the Council issued notice of the granting of planning permission on 26th January 2011.
- 1.3 Work on the scheme then concentrated on the preparation of a Side Roads Order (SRO) and a Compulsory Purchase Order (CPO) for the scheme. A series of delays were encountered due to negotiations with the Forestry Commission over Government owned land that was not able to be included in the CPO. To assist with the progress of the scheme whilst these negotiations were being finalised, Cabinet on 13th October 2011 approved the detailed design of the scheme to be undertaken.
- 1.4 Progress on the acquisition of land and rights for the scheme is summarised below. The detailed design of the scheme has been completed and is now ready for the start of construction. The contractor has been completing a final target cost estimate for the construction phase of the scheme, which will be used as the basis for the final submission to the DfT for Full Approval. The processes of land acquisition, discharge of planning conditions and DfT Full Approval are in their final stages and need to be completed before the contractor (Balfour Beatty Civil Engineering Ltd) can be instructed to proceed with construction. These processes are summarised below.

2.0 Acquisition of Land and Rights

- 2.1 The SRO and CPO were published in July 2012. Four objections were received, but two relating to the SRO were quickly resolved and were withdrawn. The remaining two objections to the CPO resulted in the DfT advising the Council that a Public Inquiry would be required. One of the remaining two objections was subsequently withdrawn shortly before the Inquiry, but the DfT advised that the Inquiry should still proceed. A Public Inquiry to consider the SRO and CPO was therefore held on the 5th and 6th February 2013.
- 2.2 On 29th April 2013, the DfT advised that the Secretary of State accepted the conclusions and recommendations of the Inspector's report and had decided to confirm the Side Roads Order for the scheme without modifications and the Compulsory Purchase Order for the scheme as modified by him. Notice of the decision was published on 15th May 2013 and the 6 week high court challenge period expired on the 26th June 2013 with no challenges being received.
- 2.3 Notice of the intention to publish a General Vesting Declaration (GVD) to acquire the land identified in the CPO was published on 27th June 2013 and the GVD is being published on 27th August 2013. The GVD comes into effect after 28 days, so the land identified in the CPO will become Council owned land from the 24th

September 2013. Notices to Treat are being issued at the same time to secure the access rights required for future maintenance of watercourses.

- 2.4 In parallel with the GVD process, negotiations are continuing with the landowners so that some of the land may be secured by agreement before the GVD process is completed. Whether through GVD or by agreement, it is expected that the acquisition of land and rights required for the scheme will be completed by the end of September 2013.

3.0 Planning Conditions

- 3.1 A total of 31 planning conditions were issued with the planning permission. These included 22 pre-development conditions, which are required to be discharged before construction can commence. The project team has been preparing the information needed to discharge the conditions.

- 3.2 An application to discharge 17 of the conditions was submitted on 16th July 2013 and this is being considered by the Planning Department. The application to discharge the remaining conditions is planned before the end of August 2013. Subject to the assessment by the Planning Department, it is expected that all the pre-development planning conditions will be discharged by the end of September 2013.

4.0 DfT Full Approval

- 4.1 Although the DfT confirmed its funding contribution on the basis of the Council's Best and Final Funding Bid in March 2011, the scheme still has to go through a Full Approval process. The DfT considers five aspects of scheme delivery as part of the full approval process and all five need to be satisfied before ministerial approval to proceed with the scheme can be given. The DfT will consider the strategic case, economic case, financial case, commercial case and management case. The Council is required to submit information relating to all these areas for assessment by the DfT.

- 4.2 The strategic case for the scheme and the scope of the scheme have not changed from that previously agreed, so no additional information is required.

- 4.3 The economic case comprises the benefit cost ratio of the scheme and the social and distributional impacts (SDI) assessment (which considers potential impacts on particular social or demographic groups). The DfT has requested that the economic assessment of the scheme is revised using updated traffic modelling figures. This work is currently under way but has incurred some additional cost and time in completing the full approval submission. The SDI assessment has been completed and agreed with the DfT.

- 4.4 The financial case consists mainly of the full cost estimate for the scheme and the proposed spend profile. Confirmation of the local authority contribution has been provided and the final target cost estimate has also been prepared. The scheme costs are described further in Section 5 below.

- 4.5 The commercial case relates to the procurement process, the basis of the contract and the balance of risks between the contractor and the Council. This information

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remains unchanged because the Council procured an Early Contractor Involvement contract in 2009 with Balfour Beatty Civil Engineering Ltd and its design partner Jacobs. Balfour and Jacobs have been responsible for developing the scheme design since then and the balance of risks has been clearly identified in the project risk register throughout the design process.

- 4.6 The management case requires confirmation that the Council has acquired the relevant statutory powers (e.g. planning permission, SRO, CPO) and includes details of scheme programming, risk management, consultation, governance arrangements and monitoring and evaluation. The required information on all these areas has been provided to the DfT for comment in advance of the final full approval submission and no additional information has been requested.
- 4.7 Subject to completion of the additional economic assessment requested, all the information needed for the full approval submission has been prepared and a draft has been provided to the DfT for comment. Once the final submission has been made, it is expected that the DfT will be able to respond quickly and there is every expectation that Full Approval status will be granted, hopefully early in October.

5.0 Scheme Budget and Funding

- 5.1 The letter from the DfT in January 2011 confirmed that the DfT will provide a maximum capped funding contribution of £14.5m towards the estimated scheme cost of £18.588m. The contribution will be paid as capital grant under Section 31 of the Local Government Act 2003.
- 5.2 The scheme funding can therefore be summarised as:

DfT Contribution	£14.500m
Local Authority Contribution	£4.088m
Ineligible Costs (local authority budget)	£0.650m
Contingency (local authority budget)	£1.174m
TOTAL	£20.412m

- 5.3 A revised spend profile for the Council's contribution to the scheme has been prepared. Note that this includes the allocation for ineligible costs and the contingency sum. The revised spend profile for the scheme is shown below.

Year	Sefton Contribution £m	DfT Contribution £m	Total £m
2007/08	0.000	0.000	0.000
2008/09	0.114	0.000	0.114
2009/10	1.098	0.000	1.098
2010/2011	0.407	0.000	0.407
2011/2012	0.482	0.000	0.482
2012/2013	0.795	0.000	0.795
2013/2014	1.307	4.977	6.284
2014/15	1.509	9.523	11.032
2015/16	0.200	0.000	0.200

Total	£5.912m	£14.500m	£20.412m
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- 5.4 The allocation of Sefton's contribution to the scheme remains within the amount allocated by Cabinet on 17 May 2007.

6.0 Scheme Delivery

- 6.1 The scheme contractor will require a Notice to Proceed to Construction from the Council before construction work can start. Notice to Proceed to Construction cannot be issued until the acquisition of land and rights has been completed, the pre-development planning conditions discharged and Full Approval status confirmed by DfT. It is currently expected that all these can be achieved by the end of September/early October. The date of the Notice to Proceed to Construction will depend on when these conditions have been successfully completed.
- 6.2 The Notice to Proceed to Construction will then enable the contractor to start construction. Work on site will not start immediately, because the contractor will have a range of preparatory and set-up work to complete. However, as much preparation as possible will be done in anticipation of the Notice to Proceed to Construction so that work can start on site as soon as possible.
- 6.3 Subject to securing Full Approval status within the timescale envisaged, it is expected that work could start on site by early November 2013. Construction is planned to take 12 months to complete.

7.0 Financial Implications

- 7.1 The Head of Corporate Finance and ICT comments that the financial implications of the report for the Council are that capital expenditure up to £20.4m will be incurred, as indicated above, and will be financed from the resources that have been previously included in the capital programme.

8.0 Conclusions

- 8.1 The Council has been promoting this scheme for many years and there is overwhelming public support for the scheme, as demonstrated by the public consultations undertaken over recent years. The scheme is now in the final approval stages and subject to completion of those final stages, Cabinet is requested to authorise the Built Environment Director to instruct the contractor to build the scheme.

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Agenda Item 10

Report to: Cabinet **Date of Meeting:** 12 September 2013

Subject: Homelessness Strategy

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

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

Exempt/Confidential No

Purpose/Summary

To seek Cabinet approval to the Council's proposed new Homelessness Strategy.

Recommendation(s)

- (1) The Council's Homelessness Strategy be approved;
- (2) The Cabinet Member Regeneration & Tourism be given delegated authority to finalise the governance arrangements, which will help deliver actions within the strategy.

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		
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 Homelessness Act 2002 requires every Local Authority to publish a Homelessness Strategy at least every 5 years. The existing Strategy was published in July 2008.

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What will it cost and how will it be financed?

(A) Revenue Costs

There are no direct costs arising from the Strategy. Should any actions contained within the Strategy have resource implications, then implementation of those recommended actions will be the subject of future formal Council decision making processes.

(B) Capital Costs

There are no direct capital costs arising from the Strategy.

Implications:

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

Legal The Homelessness Act 2002 requires every Local Authority to carry out a homelessness review every 5 years, and to develop and publish a Homelessness Strategy based on this review. The current Strategy expired at the end of July.
Human Resources There are no direct implications arising.
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"/> An Equality Impact Assessment is set out in Appendix 2 to this report

Impact on Service Delivery:

The Homelessness Strategy underpins the Councils activities and decision making in relation to it's homelessness services.

What consultations have taken place on the proposals and when?

The Homelessness review process has involved significant consultation with agencies that provide homeless related services, and with homeless clients. A Homelessness Forum was established in December 2012, which has met on 5 occasions to oversee the review and consider issues arising. The consultants undertaking the review have also conducted surveys with agencies and clients, undertaken some individual interviews and attended group meetings. All of these methods have allowed them to collect views and information from a range of organisations and people.

The Head of Corporate Finance (FD2486) has been consulted and notes there are no direct financial implications arising from the report.

Head of Corporate Legal Services (LD1791) have been consulted and has no comments on the report.

Are there any other options available for consideration?

The Homelessness Act 2002, makes it a legal requirement for every Local Authority to carry out a homelessness review every 5 years, and to develop and publish a Homelessness Strategy based on this review. The only options relate to the agreed contents of a Strategy.

Implementation Date for the Decision

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

Contact Officer: Neil Davies

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Background Papers:

None

The following documents can be accessed on the Council’s web site via these links:

Appendix 2 – Homelessness Strategy - Equality Impact Assessment

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1613&ID=1613&RPID=7486272&sc h=doc&cat=13197&path=13158%2c13197>

Appendix 3 – Homelessness Strategy - Consultations Summary

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1614&ID=1614&RPID=7486271&sc h=doc&cat=13197&path=13158%2c13197>

Agenda Item 10

1. Introduction/Background

- 1.1 The Homelessness Act 2002, requires every Local Authority to carry out a homelessness review in it's Borough every 5 years, to develop and publish a Homelessness Strategy based on this review and to consult with other statutory and voluntary organisations. This is our third review and builds upon the work of the first two carried out in 2003 and 2008. On this occasion the review has been undertaken by the Chartered Institute of Housing Consultancy. The existing strategy expired on the 31st of July 2013, though the formal Review exercise was completed prior to this date.
- 1.2 The latest Homelessness Review report provides many conclusions and recommendations, which form the basis of the new Strategy, and proposed actions within it (Appendix 1). This strategy sets out the future actions that will be taken in Sefton to tackle homelessness.

2. Ongoing Governance arrangements to deliver the Strategy

- 2.1 The Review report contains a large number of conclusions and recommendations. The majority of these will need to be addressed on an ongoing basis over the 5 year lifetime of the strategy.

Delivery of the actions in this Homelessness Strategy will require the involvement of a number of parties and partners. As a pre-requisite to this it will be important to establish appropriate governance arrangements. The Review report, and the proposed Strategy identify that this needs to be an early action.

During the Homelessness Review exercise, and leading up to the production of this Strategy, a Homelessness Forum has been established. All partners are keen that this Forum should continue to meet at an operational (day-to-day) level. There will however, also be the requirement for the outcomes of the Forum to influence and/or reflect the larger strategic outcomes of, for instance, the Council's broad commissioning priorities.

The Council is currently establishing the overall structure of the Health & Wellbeing Board. Within the proposed structure of the Board, there is a Programmes Group (that is concerned with, amongst other things, Strategic level commissioning of housing related support services) and beneath that a layer, which will include 3 groups focussing on; Early Life (aged 0-19), Older People and the Wider Determinants of ill-health. It is within the Wider Determinants Group that it is felt the Homelessness Forum would be best placed and represented to feed into the Programmes Group.

Membership of the Homelessness Forum will be important. It is imperative that the forum include people with decision-making powers, commissioning responsibilities, and statutory responsibilities for tackling homelessness to ensure delivery of commitments and actions in this strategy.

The Council has a Housing Partnership Forum, and the Homelessness Forum could also be a sub-group of the Housing Partnership.

- 2.2 A key element of the Strategy is the Action Plan contained in it. The Action Plan is drawn from recommendations in the Review. It is intended that these actions will need to be completed during the lifetime of this strategy from 2013 – 2018. The Action Plan will be supplemented with an annual Delivery Plan, to be agreed within the proposed governance arrangements, which will be reviewed and revised throughout the delivery of the strategy.

The implementation of many actions within the finalised Strategy, particularly any with resource implications, would need to be referred to Cabinet, relevant Cabinet Member or other formal decision making body.

For example, in terms of the Council's services to support homeless people the Review recommends;

Action 6. Review and revise the current service offer for people sleeping rough

The nature of such services would need to be given greater consideration, and this will also need to be considered in the light of available resources and other commissioning priorities, eg through the Health & Well Being Boards commissioning Programmes Group, or the Council's VCF Sector review, which is underway.

3 Conclusion

- 3.1 The Council are legally required to undertake a Homelessness Review and produce a new Homelessness Strategy every 5 years. The latest Review has been concluded, with a large number of recommendations. Some key recommendations, which will need early consideration are addressed in the report above.
- 3.2 The process to undertake the Homelessness Review, and to produce the Homelessness Strategy has been the subject of significant consultations. The views from a variety of stakeholders were sought as part of this homelessness review, this included both commissioners and services providers from the public, third and private sectors. A mixture of consultation opportunities were made available to stakeholders, including workshops, surveys and interviews. The views from a broad range of service users were also sought as part of the homelessness review that informs this strategy. A series of interviews were held at a variety of locations throughout the borough including at services that offer community-based support as well as accommodation-based support. A workshop was also held with stakeholders to capture their ideas and opinions. Key stakeholders attended interviews to assist with the research for the review that informs this strategy. A Homelessness Forum was established in December 2012, which has met on 5 occasions to oversee the review and consider issues arising. A 'You said/ we did' report is set out in appendix 3, which outlines the principle issues that arose from the consultations, and our proposed response to those issues. This will be used to feedback to those who participated in the consultation exercises.

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Sefton Metropolitan Borough Council Homelessness Strategy

2013 - 2018



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Foreword

The Homelessness Act 2002 requires every Local Authority to carry out a homelessness review in the Borough every 5 years, to develop and publish a Homelessness Strategy based on this review and to consult with other statutory and voluntary organisations. This is our third strategy and builds upon the work of the first two carried out in 2003 and 2008.

We urge you to read the case studies in the Homelessness Review document, as these very powerfully bring home the impact on people's lives of homelessness, the risks that go with homelessness, and the impact it has on the ability of individuals to deal with problems when the lack of an affordable, secure and settled home hinders their pathway to recovery from trauma and distress.

This homelessness review has informed our Homeless Strategy for the next 5 years. We know that homelessness, and the risk of homelessness, blights lives. Without an affordable, settled and secure home it is very difficult to establish a sound basis on which to build a future. The impact on all generations is significant. Children who experience homelessness are disadvantaged in terms of their health, wellbeing and education. Young people are excluded from opportunities that are available to their peers, and at a higher risk of becoming victims and perpetrators of crime. Older homeless people experience poor health and social isolation.

We are proud of the work we have done to prevent homelessness, and address the needs of homeless people, but this strategy makes it clear that more needs to be done. Partnership working is the answer to achieving an end to homelessness in Sefton. We must work together to achieve this.

Ian Maher
Cabinet Member for Regeneration & Tourism.

Acknowledgement and thanks

The Council would like to take this opportunity to acknowledge the hard work and effort from colleagues, partners and the Chartered Institute of Housing in the compiling and delivery of the Homeless Review document and this Homelessness Strategy.

- Sefton Council (Strategic Housing, Housing Options Team, Drug Action Team, Supporting People, Looked After Children Service, Neighbourhoods)
- Sefton CVS
- Venus Project
- SWACA
- Light for Life
- Salvation Army (Bootle)
- DISC
- Riverside Housing Association
- Forum Housing Association
- One Vision Housing
- BOSCO Society
- CHART
- Whitechapel Centre
- Sefton CAB
- Private Sector landlords
- Service Users
- Chartered Institute of Housing (Domini Gunn, Lorraine Regan and Neil Morland)

Sefton MBC Strategic Priorities and Links

Below is a summary of the corporate priorities of the **Council**. This sets out the Council's approach and we need to ensure this Homeless Strategy supports its corporate priorities and 4 main objectives:

1. **Together develop healthy & well supported communities wellbeing**
2. **Together develop access to opportunities for all**
3. **Together develop attractive & sustainable places & communities**
4. **Together empowering and supporting residents**

The 6 Priority Themes emerging from this are; Economy, The Most Vulnerable, Health & Wellbeing, Reshaping the Council, Resilient Communities, and Environment

The **Health & Wellbeing Board's** Strategy, and elements that are contained within the Sefton Strategic Needs Analysis (SSNA), which specifically have a clear relationship with "housing", are:

SSNA Strategic Objectives

The strategic objectives for Health and Wellbeing in Sefton are:

1. Ensure all children have a positive start in life
2. Support people early to prevent and treat avoidable illnesses and reduce inequalities in health
3. Support older people and those with long term conditions and disabilities to remain independent and in their own homes
4. Promote positive mental health and wellbeing
5. Seek to address the wider social, environmental and economic issues that contribute to poor health and wellbeing
6. Build capacity and resilience to empower and strengthen communities

SSNA Strategic Priorities for Health and Wellbeing

1. healthy and well supported communities
2. access to opportunities for all
3. attractive and sustainable place and communities
4. empowered and supported residents

Within this Homelessness Strategy, we must be aware that homelessness, poor and insecure housing will also negatively affect other more general “health” priorities.

It is apparent that much of the actions contained within this Strategy will have positive effect on these priorities and also the measured outcomes relating to established targets and financial performance. Each objective and priority has been individually numbered so that reference to them can be made within the Action Plan contained at the end of this Strategy.

We must also take account of how other housing related services (Private Sector Housing, Planning, Disabled Facility Grants, Environmental Protection etc) also effect the Homelessness Strategy, but also how those services impact on, or are impacted by, the priorities and objectives listed above. Poorly maintained and unimproved homes have a substantial impact on health & wellbeing of the occupants, particularly those defined as “vulnerable” (children and young people, older persons, disabled and ill persons).

Homelessness Strategy

This strategy sets out the future actions that will be taken in Sefton to tackle homelessness. The document has been developed from the review of homelessness in Sefton, carried out between November 2012 and June 2013. We strongly recommend that the Homelessness Review document is read in conjunction with this strategy. This strategy focuses on the recommendations from the review and translates them into a series of actions to be taken over the next five years.

This strategy will focus equally on tackling all forms of homelessness, including:

- Statutory homelessness
- Street homelessness
- Single homelessness
- Hidden homelessness

We have set out the principle objectives of our homelessness strategy. These have been adopted to address the identified priorities and to ensure that the Council's actions reflect the legal requirements of a homelessness strategy:

1. Reduce the levels of homelessness
2. Prioritise the prevention of homelessness
3. Ensure sufficient accommodation is available to tackle homelessness
4. Provide support, information, advice and assistance to tackle homelessness
5. Make available the required levels of resources for tackling homelessness

Consultation

Homelessness Review Consultation: The views from a variety of stakeholders were sought as part of this homelessness review; this included both service commissioners and service providers from the public, third and private sectors. A mixture of consultation opportunities were made available to stakeholders, including workshops, surveys and interviews.

The views from a broad range of service users were also sought as part of the homelessness review that informs this strategy. A series of interviews were held at a variety of locations throughout the borough including at services that offer community-based support as well as accommodation-based support. A workshop was also held with stakeholders to capture their ideas and opinions. Over 120 current and past service users took part in the consultation exercise.

Key stakeholders attended interviews to assist with the research for the review that informs this strategy. Stakeholders hold a substantial range of anecdotal evidence that compliments the statistical evidence that is collected and held by the local authority and other public bodies. The knowledge and skills from Adult Social Care, Children's Services and Public Health in delivering our action plan, and achieving our goals for tackling homelessness, is essential in delivering the strategy action plan.

The results of the Homelessness Review consultation exercise have informed the Conclusions and Recommendations within the Review document which in turn has informed and influenced this Action Plan. The consultation results are contained within the Review document and within a separate document entitled "You Said, We Did". This second document has been shared with our partner agencies with the aim of providing a response to consultation participants and to confirm that their comments and concerns are valued and have been considered.

An annual consultation exercise will be held with service users where they can share their views on the help they received when homeless or threatened with homelessness as part of this on-going review.

SSNA Consultation & Engagement exercise: as part of the consultation and engagement exercise process for the “shadow” Health & Wellbeing Board a number of key findings relating to “housing” as it effects specific groups are listed below:

People with Learning Disabilities

People live at home with their family or in supported housing. They value the support from family and friends and the independence gained from living in supported housing and the support from staff. They do however:

- need more help to understand bills
- want more choice and involvement in decisions about housing
- need adaptations

Children in Care and Care Leavers

- Housing - good quality affordable housing is important as young people move into accommodation at a young age. Keeping tenancies is not always possible without support. Experience of poor quality housing which was damp.
- Community information and support - support financially for first-time/young parents with rent and childcare costs for young parents that are living alone or to enable young people to get their own home

Feedback from Parents/Carers

- Housing – concerns over private landlords (North Sefton)

Drug Action Team Service Users

- Housing – concern that people will be asked to move away from family and friends and the support mechanisms as they will be required to down-size. Housing for young people is also needed. Concern that there are too many empty homes and that more properties are needed for the homeless

Older People

- Housing – some older people want to downsize their properties to release equity or to help family members, but difficult to get appropriate properties

Sefton Carers' Centre – Users

- Housing – feel that too much of the area is designated 'green space', inhibiting housing developments, although current housing stock could be upgraded, instead of new housing being built. Housing conditions need to be more habitable

Staff and partners through visioning events

Priority - How to create the right environment (housing, jobs, amenities, transport) to attract and keep young families

Priority – Health and Wellbeing for Everyone

Priority- Develop high quality and affordable housing

Perceived gaps in the Sefton Strategic Needs Assessment as identified by our partners and our communities

- Physical and Environmental Preventative Services - including, affordable warmth and housing conditions (link between poor health and housing in poor physical condition and winter deaths in relation to fuel poverty)
- The quality of housing is an issue for young people in care and care leavers as this can and does impact on their wellbeing e.g. damp in properties.

Homelessness Strategy Governance

Delivery of the actions in this Homeless Strategy will require the involvement of a number of parties and partners. As a pre-requisite to this it will be important to establish appropriate governance arrangements. This needs to be an early action.

During the Homelessness Review exercise, and leading up to the production of this Strategy, a Homeless Forum has been established. All partners are keen that this Forum should continue to meet at an operational (day-to-day) level. There will however, also be the requirement for the outcomes of the Forum to influence and/or reflect the larger strategic outcomes of, for instance, the Council's broad commissioning priorities.

It is imperative that the forums include people with decision-making powers, commissioning responsibilities, and statutory responsibilities for tackling homelessness to ensure delivery of commitments and actions in this strategy.

The Council is currently establishing the overall structure of the Health & Wellbeing Board. Within the proposed structure of the Board, there is an Programmes Group (that is concerned with, amongst other things, Strategic level commissioning) and beneath that a layer, which will include 3 groups focussing on; Early Life (aged 0-19), Older People and the Wider Determinants of ill-health. It is within the Wider Determinants Group that it is felt the Homeless Forum would be best placed and represented to feed into the Programmes Group.

The Homeless Forum would also be a sub-group of the Sefton Housing Partnership.

Definition of homelessness

Homelessness to the general public may be synonymous with people sleeping rough. However the definition is much broader than that and perhaps might simply be viewed as someone who is without permanent or settled accommodation. As a result of legislation and the historical growth of the homelessness sector, the picture is not quite as simple. Homelessness is a complex issue and difficult to define, with many different types of homelessness ranging from 'sofa surfing' to rough sleeping.

The legal provisions for statutory homelessness are contained in the [1996 Housing Act](#), the [Homelessness Act 2002](#) and [The Homelessness \(Priority Need for Accommodation\) \(England\) Order 2002](#). There is also a Code of Guidance which sets out how a local authority should interpret the legislation.

Local authorities have a range of duties to people who are homeless, and this always includes advice and assistance and often the provision of temporary accommodation. There is also an ongoing duty to some homeless people. The main housing duty is to accommodate those who are eligible for assistance, unintentionally homeless and in priority need.

The primary aim of the homelessness strategy will be to ensure that everyone who is homeless, or at risk of homelessness, is able to access the best advice, information and assistance to help them find a solution.

Causes and impact of homelessness

Vulnerability

Vulnerability is a key test in determining whether homeless people without children are considered to have a priority need for housing under homelessness legislation. In homelessness terms, vulnerability means a person is more likely to suffer harm than the ordinary homeless person if they become homeless. To be accepted as vulnerable, the person needs to demonstrate that homelessness would have a greater detrimental impact on them than it would on an average homeless person.

Under Section 189 of the Housing Act 1996, a homeless person will have a priority need for re-housing if s/he is vulnerable as a result of:

- old age
- mental illness or learning disability (mental handicap) or physical disability
- having been looked after, accommodated or fostered and is aged 21 or more
- having been a member of Her Majesty's regular naval, military or air forces
- having been in custody or detention
- ceasing to occupy accommodation because of violence from another person or threats of violence from another person which are likely to be carried out
- or any other special reason.

Section 10.12 onwards of the [Homelessness Code of Guidance](#) gives local authorities guidance on the interpretation of vulnerability.

Issues such as property availability and affordability are key factors influencing levels of homelessness. Also, issues relating to allocations and housing management and policies need to ensure they are geared towards meeting needs of homeless people and overcoming barriers to settled accommodation.

Various opportunities, particularly around supportive interventions to prevent both anti-social behaviour and subsequent homelessness are critical to the success in our work to address and prevent homelessness. The Supporting People Strategy has been crucial in developing services for people who are homeless and has seen the development of innovative and flexible services to both prevent homelessness and to support those who are in need.

Impact of homelessness

Drug and alcohol research links homelessness and substance misuse. Drug users may need accommodation so they can receive treatment to help work to stabilise their condition. Research shows that offending behaviour can result in and be linked to, homelessness especially amongst single people. Domestic abuse is also a factor.

Research recognises the links between poor life chances, and educational outcomes, for young people and children who experience homelessness. There is a need for further initiatives focusing on young people and children, including those in the care system.

National research and guidance link poor health and homelessness. As a consequence it is essential that health, public health and social care strategies, and their priorities, form effective linkages with this strategy.

Context

Sefton has a poorer socio-economic demographic compared to the national average therefore homelessness is likely to remain an issue and perhaps be more of a concern than is it elsewhere in the country. The five Merseyside local authorities have successfully worked together to develop a sub-regional approach to ending rough sleeping.

There are big differences in the quality of life for those living in the most prosperous areas and those living in the poorest areas. Nearly one in four people have low incomes and poor living conditions. Most of these people live around Bootle and Litherland with a smaller concentration around Southport. These areas have high levels of long-term unemployment, low skill levels or skills which are no longer needed, experience higher crime rates, poorer housing and health problems.

Over 86% of homes in Sefton are privately owned, however, around 20% are in serious disrepair or do not meet the statutory fitness standard. Many are hard to heat. There is a need for more good quality housing to meet the projected increase in the numbers of households, and the Council is responsible for ensuring there is an adequate supply of land on which to build houses and associated high quality amenity spaces, as well as to grow businesses and create jobs. These issues will be addressed within the Council's emerging Local Plan.

Key Homelessness Review findings

Please read the Homelessness Review document for further detail, background statistical information and Consultation that contributed to these Findings.

Current and future likely levels of homelessness

- The level of statutory homelessness decisions in Sefton has reduced to a record low, but is now increasing again.
- Local authority inquiries into what duty they may owe to a homeless person is more likely to conclude that a person is not in priority need than elsewhere and less likely to result in a decision that someone is intentionally homeless.
- Friends or relatives being unwilling or unable to accommodate is the main reason for loss of settled accommodation. This is twice the rate locally than elsewhere
- The levels of rough sleeping are increasing, but are broadly equal to those found regionally and nationally.
- Men are much more likely to be homeless than women.
- The majority of single homeless people were accommodated in supported housing dispersed across the borough.
- The majority of single homeless people are unemployed job seekers, with many people wanting help to maximise income and yet very few people getting support to secure employment
- There is uncertainty as to the levels of hidden homelessness. This is consistent with other local authority areas.
- Future levels of homelessness are predicted to increase, although it is impossible to say by what extent.
- A number of factors are expected to increase the levels of homelessness, primarily the impact of central government legislative reforms to welfare benefits and economic factors.

Prevention of homelessness

- Successful homelessness prevention casework is increasing, in response to a sustained rise in the number of households experiencing housing problems.
- The majority of prevention successes are achieved by helping people to obtain alternative accommodation
- An effective partnership exists to prevent homelessness for victims of domestic abuse to allow them to remain in their homes through the installation of sanctuary scheme measures.
- The rate of prevention activity locally is much lower than elsewhere
- Undertaking home visits is not standard practice despite exclusions from friends being the main reason for loss of last settled home.
- Printed information materials are readily available across the local authority area to inform both service users and stakeholders about the range of advice and assistance available to tackle and prevent homelessness
- Successful interventions have been made to help homeowners at risk of repossession to keep their home

Securing accommodation

- The number of people accepted onto the housing register has fallen for the first time in several years.
- Supporting people to find accommodation in the private rented sector is the primary action taken by the Council's Housing Options Team to help people at risk of homelessness.
- Securing a home in social rented housing is the secondary action taken by the Council's Housing Options Team, to help people at risk of homelessness.

- Supported housing is the third main action taken to help people at risk of homelessness to obtain alternative housing and this provides them with targeted support to rebuild lives.
- Voluntary organisations have been the main provider of supported housing, followed by registered housing providers.
- There is an increase in the number of people being provided supported housing each year as a result of redesign of Supporting People programs.
- Low-cost home homeownership products are not used to help people at risk of homelessness to obtain alternative accommodation.

Providing support to homeless people

- There is a comprehensive range of community-based services for statutory homeless persons within the borough.
- There is also a diverse range of community-based services for street homeless people and single homeless persons, albeit that many are located in the neighbouring local authority, or elsewhere in Merseyside.
- The range of accommodation-based services is limited, particularly for women and people aged over 25 years of age.
- There is some excellent work being done to help homeless persons experiencing mental ill health.
- Service users are less likely to approach the local authority for assistance when they are threatened with homelessness.
- Many people sought assistance from friends or voluntary organisations before they sought help from the Council.

Progress Report

As result of implementing the second **Homelessness Strategy (2008-2013)** the following outcomes were achieved against the identified actions:

1. Through prevention reduce the number who present as homeless. The number of homeless presentations for the last full year preceding the completion of the 2008 strategy (2006-07) was 257 per annum and a reduction to 107 (2010-11) saw the number more than halved. However the number of presentations has increased in 2011-12 and 2012-13 (183) and is now over half of the 2006-07 figure.
2. Reduce the use of bed & breakfast for families. The number of households including dependent children and/or a pregnant woman as at snapshot dates of 31.11.2012 and 31.12.2012 was NIL. Only in extreme circumstances does the Council use this form of temporary accommodation for families, and in these cases the occupancy in B&B is for a minimal period and certainly less than the government set maximum of 6 weeks.
3. Reduce the incidence of youth homelessness and stop using bed & breakfast for 16/17 years olds by 2010. The outcome of the Southwark judgement has in effect meant that most homeless 16 and 17 year old children are now the responsibility of Children's Services. Therefore the homeless team deal with much fewer numbers than previously and the reduction has been "achieved" by the homeless people being referred to a more appropriate service.
4. Increase the provision of supported housing, good quality temporary housing and move on accommodation. This outcome has been achieved in terms of increasing the quantity of the supported housing provision by re-designating the access criteria of 350 former Category 1 accommodation units that were age restricted to allow access to any vulnerable adult aged 18 and over. We also improved the quality of some existing schemes such as Bosco House which was refurbished.

5. Develop the Housing Advice Service. The overall quantity and quality of advice services (statutory and VCF provided) has been developed and improved. The Council continues to support Light for Life's provision in Southport and has established a public facing Housing Advice Centre in Bootle.
6. Increase the number of homeless or potential homeless receiving education, training or entering into employment. There is no definitive data to suggest that this has happened although it is accepted that within supported housing schemes this is an indicator of successful support and/or move-on plans.
7. To ensure equal access to housing and services. We have continued to strive towards an inclusive service for all although we are mindful of the outcome of the current review consultation outcomes.

Resources

Funding for tackling homelessness predominantly derives from two sources, the local authority general fund and the national Homeless Prevention Grant programmes. The delivery of homelessness functions is a statutory duty therefore the Council must ensure that there is an annual budget for fulfilling these tasks. Since April 2011 Homeless Prevention Grant funding has been un-ring-fenced. To date the Council has continued to utilize this funding for its intended purpose.

National resources

Central government remains committed to tackling homelessness. Two strategies have been published to concentrate efforts to end rough sleeping and prevent homelessness. A series of initiatives have been supported by a significant investment of over £400m capital and revenue funding from 2011/12 – 2014/15.

The Department of Communities & Local Government (DCLG) has committed £1,353,418.00 nationally in preventing homelessness and ending rough sleeping during 2011/12 - 2014/15. This money is both capital and revenue funding awarded in a grant allocation to each local authority and some third sector providers directly by the government and via executive governmental bodies and external organisations. The total allocation over the four-year period equates to £338,354.50 per year.

Local resources

The Council's total staff costs including on-costs for the housing advice and homelessness staff is £232,000 per annum (funded by the Council's General Fund). The net cost of providing the Lonsdale Road temporary accommodation is estimated at £89,000 per annum.

The local authority is entitled to award funding, or other resources such as seconding workers and providing material items, to third sector organisations for the purpose of tackling homelessness. From the annual Homelessness Prevention Grant received from the central government the Council allocates approximately 75% of the Grant to Light for Life to provide specific housing advice services in Southport, the remainder funds other homelessness prevention services and options.

In addition to the specific funding referred to above, the Council and its partners invest significant resources in services that have a direct, indirect and potential impact upon homelessness, including investment in housing related support (formerly Supporting People); substance misuse treatment/recovery services, and public health services. It is important to take a “whole-council” approach to the issue of homelessness and homelessness prevention, to ensure, so far as possible that these resources are deployed so as to advance the priorities of the Homelessness Strategy, or where there are budget reductions, at least understand and seek to mitigate any potential negative impacts on homelessness.

Sefton Council Emergency Limited Assistance Scheme (ELAS) became operational from 1 April 2013 and facilitates homeless people in the borough accessing emergency limited assistance with, for example, food, heating, lighting and travel.

Foodbanks are now open in South Sefton, Crosby and Southport with Central Sefton foodbank expected to be operational in September 2013. There are many referring agencies linked to the foodbanks.

Future Policy developments

When creating this 5 year Strategy the Council is mindful that the future is uncertain and that some elements of this Strategy and subsequent Action plan could require review and be subject to change. This Strategy needs to be able to respond to emerging new policy direction, for instance in both Children's and Adult's services major new Bill's are currently proceeding through parliament with expected implementation dates in early 2013/14 parliamentary year.

- **The Care Bill 2013** represents one of the most significant pieces of health legislation passed by the coalition Government, laying foundations for more integrated care in the community. The Bill has now completed its Committee Stage in the House of Lords.
- **The Children and Families Bill** contains provisions following the Green Paper Support and Aspiration: A new approach to special educational needs and disability (published 18 March 2012) and the follow up; Progress and Next Steps (published 15 May 2012). It will integrate planning arrangements for children and young adults (0-25 yrs) including housing.

Below is a list of other factors that will influence our delivery of the Strategy- the list is by no means exhaustive.

- Central government policy and financial allocations
- Sefton Council's response to continually reducing budgets and savings requirement
- Sefton Council's move towards a more enabling and commissioning local authority
- The review of future Housing Related Support (formerly the Supporting People program) services and commissioning
- The Council's future commissioning priorities including Health and Wellbeing
- The continuing impact of the Welfare Reform program

- The outcome of the review of Council's Borough wide Housing Strategy
- The Council's Local Plan

Homeless Strategy Action Plan

The Action Plan is drawn from recommendations in Sefton Council's Homelessness Review 2013. It is intended that these actions will need to be completed during the lifetime of this strategy from 2013 – 2018. The Action Plan will be supplemented with an annual Delivery Plan that will be reviewed and revised throughout the delivery of the strategy.

The Council is committed to continuing joint working with neighbouring local authorities across the Merseyside region. Efforts will be made to extend existing collaborations to end rough sleeping across the region.

The Council will also use its influence to promote joint working across the sub-region to extend efforts and alliances into renewed efforts to prevent homelessness.

By adopting this Homelessness Strategy the Council is making a commitment, with its partners, to achieve and replicate the ambitions made by central government to end rough sleeping and prevent homelessness locally in Sefton.

Tackling homelessness will need to form a key part of local plans for the social, economic and physical regeneration of Sefton. Efforts to tackle homelessness need to align with other strategies, not least the new Health and Wellbeing and Public Health Strategies.

Within the Action plan under the column titled "Aim" there is a cross-reference to the items listed in the "Strategic Priorities and Links" section earlier in this document. The relevant cross-reference will be italicised.

An attempt has been made to prioritise the actions using a “RAG” (red, amber, green) approach;

Red= action to be completed in Year 1

Amber= action to be completed in Year 2 or 3

Green= action to be completed in Year 4 or 5

For ease, the priority is indicated by text and colour within the appropriate column.

Please note that those organisations listed under the heading of “Key Agencies” are included on the basis of the position at August 2013; it is necessary to note that these organisations may change during the life of this Strategy, and any changes will be dealt with as part of the Annual Delivery Plan and Annual Homelessness Strategy Review cycle.

Governance Action Plan				
HSAP	Action	Aim	Priority	Key Agencies
1.	Establish the governance arrangements that will manage the Homeless Strategy and Action Plan for the life of the Strategy 2013-2018	<p>To establish two distinct groups that will operate on a strategic and operational level to agree the Strategy Action plans and the Annual Delivery Plan. It is proposed that we retain the existing Homeless Forum at the Operational level, and at the Strategic level the Homeless Forum is represented on the Health & Well Being Board's 'Wider Determinants Group' and feeds into the 'Programmes Group'.</p> <p>To gain agreement and commitments from all to progress the priorities within the Strategy.</p>	Year 1	Sefton Council; all partner agencies
2.	<p>Ensure that representation is made within the Health & Wellbeing sub groups of Health & Wellbeing Board (Wider Determinant Group).</p> <p>The representative(s) will highlight the impact of homelessness, poor and insecure housing on</p>	<p>To improve the health and wellbeing of homeless people in Sefton. Homeless people experience significantly poorer health than the housed community. The social and economic impact of this is considerable for individuals, local communities and nationally.</p> <p>Through joint planning, funding, commissioning, targeting and delivery of services for homeless people the cost of the health related services should be reduced. This will enable</p>	Year 1	Sefton Council; Service commissioners. Health & Wellbeing Board.

	communities in Sefton and to propose solutions to mitigate the impacts and cost.	the various health authorities to reduce cost and meet targets and outcomes.		
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Actions to reduce the levels of homelessness				
HSAP	Action	Aim	Priority	Key agencies
3.	Annual training updates on primary legislation and all new case law will be provided to all local authority officers employed to undertake inquiries as to the duty, if any, is owed to a homeless person.	To ensure the local authority is fully compliant with what the law and statutory guidance requires when administering homelessness duties	Year 1	Sefton Council; Light for Life; NHAS
4.	Work will be undertaken with minority communities to understand the reasons and risks of homelessness for specific groups.	To ensure the local authority homelessness services are accessible to all communities across the borough <i>SMBC Objective 2</i> <i>SSNA Objective 2</i>	Year 2-3	Sefton Council; Asylum Link; Irish Community Care; Refugee Action, The Pagoda Chinese Community Centre
5.	Review the operational practices for helping people threatened with homelessness due to domestic abuse or because a person is aged 16/17.	To explore why levels are comparatively lower than elsewhere, promote good practice and plug any gaps identified. Review and promote the outcomes achieved as a result of the Sanctuary Scheme and established domestic violence	Year 2-3	Sefton Council Housing; Sefton Council Children Services; SWACA; RASA; Merseyside Police; Sefton

		<p>support agencies in the Borough.</p> <p><i>SMBC Objective 1,2 and 4</i></p> <p><i>SSNA Objective 1, 4, and 5</i></p>		<p>Supported Lodging Scheme; Forum HA; Venus; 408 Young Persons Advisory Service; Sefton Vulnerable Victims Advocacy Team</p>
6.	<p>Review and revise the current service offer for people sleeping rough</p>	<p>To identify and reduce levels of rough sleeping. If levels of rough sleeping continue to increase, more and different, local provision may be required than is currently available within the Borough.</p> <p><i>SMBC Objective 1,2,3 and 4</i></p> <p><i>SSNA Objective 5</i></p> <p><i>SSNA Priority 1 and 3</i></p>	Year 1	<p>Sefton Council; Bosco; Forum Housing; The Basement; The Whitechapel Centre; Salvation Army; Light for Life</p>
7.	<p>Review the current initiatives and increase links with services that can help homeless people gain skills for work and secure employment</p>	<p>To support homeless people to access training and employment. People in employment are less likely to become homeless, increased levels income help to expand the range of housing options available to someone.</p> <p>Support homeless people to access training and employment by providing independent customer-focussed solutions.</p> <p><i>SMBC Objectives 1,2,3 and 4</i></p>	Year 2-3	<p>Sefton Council; JobCentre Plus; Sefton@work; Bootle Salvation Army. LEP LearnDirect Adult education</p>

		<i>SSNA Objectives 1,5 and 6</i> <i>SSNA Priorities 2 and 4</i>		colleges
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Actions to prevent homelessness				
HSAP	Action	Aim	Priority	Key Agencies
8.	Review the range of prevention tools deployed by the Council for priority and non-priority homeless applicants	<p>To ensure that prevention tools already in use are fit for purpose and that all the tools that could be used are established and available locally. The existing schemes and tools used for preventing homelessness need to be reviewed to ensure they are able to reduce the risks of homelessness for those households for whom the Council does not owe the main homelessness duty.</p> <p>Early intervention and a different approach to housing options may prevent homelessness (especially amongst single people) and the need for temporary accommodation.</p> <p>Ensure that all statistical returns capture the prevention work undertaken by both statutory and non-statutory services.</p> <p><i>SMBC Objectives 1,2,3 and 4</i></p>	Year 1	Sefton Council; All partner agencies

		<p><i>SSNA Objectives 3 and 5</i></p> <p><i>SSNA Priorities 1, 3 and 4</i></p>		
9.	Review the need for, and availability and cost of, qualified independent mediation services for people at risk of homelessness	<p>To take a proactive approach to help people at risk and threatened with homelessness to maintain their existing accommodation</p> <p><i>SMBC Objective 3</i></p> <p><i>SSNA Objective 5</i></p>	Year 4-5	Sefton Council; Housing support providers; Voluntary sector
10.	Re-introduce home visits to people identified as at risk of homelessness	To ensure early identification of people at risk of homelessness and help them to maintain their existing accommodation	Year 1	Sefton Council; Housing support providers; Voluntary sector
11.	Maintain and strengthen links with mortgage lenders and landlords to prevent repossessions and evictions	<p>To take action when the risk of losing a home is identified, and then negotiate with landlords and lenders to avoid eviction. Repossession action and eviction should be a last resort when someone is struggling to pay his or her housing costs.</p> <p>To help people threatened with homelessness to maintain their existing accommodation.</p> <p><i>SMBC Objective 2,3 and 4</i></p>	Year 2-3	Sefton Council Housing; Sefton Council Housing Benefits. Registered Providers. Accredited Private sector Landlords

		<i>SSNA Objective 3, 5 and 6</i>		
12.	Welfare rights and money advice services should form an integral part of the broad housing options services.	<p>To ensure increased co-operation between these money advice and welfare services to offer a comprehensive and effective service to clients.</p> <p>As a result of welfare reforms and economic policies more people will be at risk of homelessness due to money related matters.</p> <p><i>SMBC Objective 1,2,3 and 4</i></p> <p><i>SSNA Objective 1, 3 and 5</i></p>	Year 2-3	<p>Sefton Council;</p> <p>Court Advice Service; Citizens Advice Bureau;</p> <p>Sefton Credit Union.</p>

Actions to ensure that sufficient accommodation is available to tackle homelessness				
HSAP	Action	Aim	Priority	Key Agencies
13.	Support people who are homeless to obtain private rented sector (PRS) accommodation	<p>To broaden the range of housing options and reduce occurrences of repeat homelessness</p> <p>Use the PRS Landlord Accreditation Scheme to increase supply of PRS accommodation. Review the suite of incentives offered to PRS Accredited Landlords to encourage them to become accredited.</p> <p>Work with Accredited Landlords to introduce a Private Rented Sector Offer policy to improve access to the PR sector</p> <p><i>SMBC Objectives 1,2,3 and 4</i></p> <p><i>SSNA Objectives 1 and 5</i></p> <p><i>SSNA Priority 3</i></p>	Year 1	Sefton Council; Money Advice Service; Private Landlords; Whitechapel Centre; Landlord Accreditation Scheme
14.	The Council will review the provision of all supported accommodation which will include those for single	To identify shortfalls and gaps in current service provision for women and single young people. Services for single homeless people need to be sensitive and relevant for the needs of, and reflect the demographics of, the homeless	Year 1	Sefton Council; Registered providers; Supported Housing providers.

	homeless women and young single homeless people	<p>population. Particular emphasis should be given to service users by age and gender.</p> <p>Reference should be made to Needs Analysis (Homeless Link and St. Andrews University data)</p> <p><i>SMBC Objectives 1,2,3 and 4</i></p> <p><i>SSNA Objective 1 and 5</i></p> <p><i>SSNA Priorities 1, 2 and 4</i></p>		Commissioners
15.	Support Emmaus UK to establish a scheme within the Borough	<p>To support the establishment of an Emmaus UK Scheme within the Borough to provide additional accommodation for homeless people</p> <p><i>SMBC Objective 1,2,3 and 4</i></p> <p><i>SSNA Objectives 5 and 6</i></p> <p><i>SSNA Priorities 2, 3 and 4</i></p>	Year 2-3	Sefton Council; Emmaus UK; Riverside HA; HCA
16.	Consider implementing a central access gateway that controls the allocation of all supported housing and housing related support	<p>To ensure that those who need supported housing and housing related support services the most will be given priority to access them.</p> <p><i>SMBC Objective 1,2,3 and 4</i></p> <p><i>SSNA Objectives 5 and 6</i></p> <p><i>SSNA Priorities 2 and 4</i></p>	Year 1	Sefton Council; Supported Housing providers. Floating support services. Service Commissioners.

17.	Establish a relationship between the Housing Options Team and the local HomeBuy agent.	To offer the widest possible range of housing options including access to low cost home ownership where this is appropriate. <i>SMBC Objective 3 and 4</i>	Year 2-3	Sefton Council; Plus Dane Group
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Actions to provide support, information, advice and assistance to tackle homelessness

HSAP	Action	Aim	Priority	Key Agencies
18.	Review the range of information materials (including on-line information) provided or available to customers	To establish comprehensive, consistent and accurate information for homeless people and those at risk of homelessness. This will link to the Council's work around creating a Directory of Services.	Year 2-3	Sefton Council; all partner agencies
19.	Promote the work achieved locally under the homeless mentally ill initiative by CHART as good practice across all local health providers and commissioners. Identify opportunities to replicate the approach with other client groups (e.g. prison release, hospital discharge, complex needs) will be explored	To improve understanding of the health risks of homelessness and expand access to health care for all client groups. Homeless people experience significantly poorer health than the housed community. The social and economic impact of this is considerable for individuals, local communities and nationally. Through improved planning, commissioning, targeting and delivery of health services for homeless people the cost of accessing emergency services will be reduced. <i>SMBC Objective 1,2,3 and 4</i> <i>SSNA Objectives 2, 3,4 and 5</i> <i>SSNA Priorities 1 and 2</i>	Year 2-3	Sefton Council Health & Wellbeing Board. Clinical Commissioning Groups.

20.	Review and assess the current provision of tenancy support as part of any future commissioning exercise	<p>To provide timely and appropriate tenancy support in order to reduce tenancy failure for vulnerable people and support a planned move to an independent tenancy for those in temporary and supported housing where this is possible.</p> <p><i>SMBC Objective 2, 3 and 4</i></p> <p><i>SSNA Objectives 3, 4, 5 and 6</i></p> <p><i>SSNA Priorities 1, 2, 3 and 4</i></p>	Year 1	<p>Sefton Council; Social Housing Providers; PRS landlords; Floating Support Services</p>
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Make available the required levels of resources for tackling homelessness				
HSAP	Action	Aim	Priority	Key Agencies
21.	Continue to ensure best value from the Council's investment in homelessness, homelessness prevention and other services that impact upon homelessness.	<p>To take a council-wide approach to commissioning, in-line with the Council's Corporate Commissioning Framework, so as to secure the most out of the total resources available within Sefton (including statutory, VCF, private sector and communities themselves) in order to improve outcomes for citizens in the most efficient, effective and sustainable way.</p> <p>By applying a commissioning approach to all services, whether externally or internally provided, to ensure that services are focused on addressing priorities, meeting need, delivering value for money and achieving positive outcomes</p>	Year 1	Sefton Council, Health & Wellbeing Board, Service providers
22.	Ensure that the Homelessness Strategy is reflected in all relevant thematic and service reviews undertaken within the Council, including the Review of Housing Related Support Commissioned Services and the	To ensure that all relevant thematic and service reviews undertaken within the Council have a sound understanding of the latest homelessness issues and priorities within Sefton and of the potential impact those reviews might have on homelessness and the delivery of the strategy.	Year 1	Sefton Council

	<p>Review of Sefton's Substance Misuse Treatment Services.</p>	<p>That commissioning priorities and decisions arising from thematic and service reviews recognise and, as far as possible, advance the priorities of the Homelessness Strategy.</p> <p>That funding decisions arising from thematic and service reviews, with potential to impact upon homelessness, recognise and, as far as possible, advance the priorities of the Homelessness Strategy, or where there are budget reductions, at least seek to mitigate the potential impact on homelessness.</p>		
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Report to: Cabinet **Date of Meeting:** 12th September 2013
Subject: Procurement Process for the Provision of Bailiff Services
Report of: Head of Corporate Finance and IT **Wards Affected:** All
Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes
Exempt/Confidential No

Purpose/Summary

This reports seeks to -

1. Outline the recommended provision of bailiff services for the recovery of debt owed to the Council.
2. To inform Cabinet of the procurement process that will be undertaken to procure new contract (s) for provision of bailiffs and debt collection services. The contract (s) will take effect from the 1st April 2014.
3. To seek the approval of Cabinet for officers to begin the process of a mini competition under the Rotherham Council bailiff and debt collection framework.

The report contains Annex A listed below for ease of reference:

Annex A – Sefton Council Bailiff Code of Conduct

Recommendation(s)

That Cabinet:

- (1) Approve the provision of bailiff and debt collection services outlined in the report, as summarised in paragraph 4 of this report.
- (2) Approve the procurement process of a mini competition under the Rotherham MBC Bailiff and Debt Collection framework agreement.
- (3) That Cabinet delegates to Head of Corporate Finance and ICT the decision on which Bailiff companies will be awarded the contract for Bailiff and Debt Collection Services and the contract for Warrants of Arrest Without Bail.
- (4) To authorise Head of Legal Services to draw up the appropriate contracts to run for a period of 3 years with annual options to review up to a maximum of 5 years.

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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:

Existing contracts are due to expire 31st March 2014.

What will it cost and how will it be financed?

(A) Revenue Costs

Bailiff costs, under current legislation, are charged to the debtor and therefore are not a direct cost to the Council.

Warrant of Arrest costs payable to the bailiff by the Council can only be passed on to the debtor in the event of a suspended prison sentence being ordered in the Magistrates Courts, a part of the Council's application for reasonable costs. Any such charges not recovered from the debtor are met from the Council's existing cost budgets.

Debt collection commission charges are payable to the Debt Collection company by the Council, as a percentage of amounts recovered. There are no charges in the event that payment is not recovered. Commission charges are met from existing debt collection budgets.

(B) Capital Costs N/A

Implications:

N/A:

Legal The Council's Contract Procedure Rules provide that the Council may enter into existing public sector framework agreements, where it is evident that such frameworks represent the optimum solution to the Council in terms of service and cost.

Human Resources

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

Impact on Service Delivery:

The recommendations will enable increased collection of council tax, business rates, sundry debt, housing benefit overpayments and parking fines.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2513) have been consulted and any comments have been incorporated into the report.

The Head of Corporate Legal Services (LD 1818) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

1. The Council could conduct an EU compliant tender exercise, approaching the whole market directly. This option however would require a much longer timescale as the tender opportunity would need to be advertised in the Official Journal of the European Union (OJEU). Further, the volume of bids submitted is unpredictable and so in addition to managing a longer advertising period officers could easily find that evaluation of bids also takes a much longer period of time. This could prove problematic as the existing contract/s expires on 31/3/2014. Therefore this option has been rejected as a high risk due to lack of flexibility.
2. The Pro 5 Purchasing consortium group has commenced a piece of work to secure an EU compliant framework for the provision of Bailiff Services. This work is headed by Eastern Shires Purchasing Organisation (ESPO); however this framework is not yet available as the procurement exercise has not yet been concluded. Waiting for the framework to be concluded could easily cause difficulties in meeting the contract renewal date of 1/4/2014.

Implementation Date for the Decision

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

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Background Papers:

None

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INTRODUCTION/BACKGROUND

The use of certificated bailiffs within the Council

- 1.1 A bailiff provision is an integral part of the overall collection process for Council Tax and Business rates and contributes greatly to ever increasing collection levels for the Council. The Council uses certificated bailiffs when necessary and within appropriate legislative frameworks to collect debts owed to the Council. Bailiffs have to hold a certificate that enables them to levy distress for commercial rent, road traffic debts, council tax and business rates.
- 1.2 Before using a bailiff company to recover debt owed, the Council will always try to secure a mutually acceptable payment plan. The vast majority of bailiff activity in Sefton takes place due to debtor's refusal to engage with the Council in order to come to mutually acceptable arrangements to repay the money owed.
- 1.3 The Council currently use 4 firms of external bailiffs for collection of outstanding debts and work is allocated as follows:

Bailiff Firm	Bailiff Services: Council Tax -1 st phase Business Rates – 1 st phase Civil Parking Enforcement	Debt Collection Services	Arrest Warrant Services
Jacobs	YES	YES	YES
Equita	YES	YES	NO

Bailiff Firm	Bailiff Service: Council Tax -2nd phase Business Rates – 2nd phase
Newlyn	YES
Rosendale's	YES

- 1.4 Contracts have been renewed annually, and the maximum 5-year period ends in March 2014.

2 Performance Management

- 2.1 Regular meetings are held with all the bailiff companies appointed at which any performance issues are discussed and addressed.
- 2.2 Statistic on the collection performance of the companies are compiled monthly and shared with all the bailiff companies. This ensures everyone is aware of how each company is performing and the aim is to drive up collection performance.
- 2.3 In addition to the performance reports, individual performance is also managed by complaints monitoring. This can include the legal position, the conduct and behaviours of the bailiff and any associated costs. If there are complaints about bailiff activity these are coordinated and managed by the Council in accordance with the Council's policies.

3 Legal Position

3.1 Council Tax and Business Rate debt

3.2 The use of bailiffs for Council Tax and Business Rates recovery is covered by sections within the Local Government Finance Acts.

3.3 Once the Council has obtained a liability order from the Magistrates Court in respect of unpaid Council Tax or Business Rates it has the power to use other recovery methods to collect debt owed. This includes bailiff activity.

3.4 Before the recovery process can be escalated to include committal to prison action for non-payment of Council Tax or Business Rates debts, bailiff action must have been attempted and a certificate obtained from the bailiff to demonstrate there were no goods or insufficient goods to pay the debt. In reality, this means that for Council Tax, in the vast majority of cases where details of who the debtor works for are not known, and the debtor still does not engage with the Council to make arrangements to clear the debt, cases are passed to bailiffs for collection a minimum of 14 days after the date of the liability order court hearing.

3.5 For Business Rates, once the reminders and the summons have been issued and a liability order obtained from the Magistrates court, further attempts are made to enter into payment arrangements. Enforcement options are limited for the Council and therefore bailiffs is the default method for those who do not engage with the Council. Ratepayers are given ample opportunity to demonstrate a willingness and ability to pay prior to the debt being referred to a bailiff for collection.

3.6 Civil Parking enforcement

3.7 Parking Service issues Penalty Charge Notice (PCNs) for contraventions of Parking Regulations, using powers contained within the following regulations:

- The Traffic Management Act 2004

3.8 Future Legislation on Bailiffs

3.9 The Ministry of Justice are in the process of issuing new regulations regarding bailiffs, changes are due April 2014. These regulations will include additional training and competency tests for individual bailiffs and there will be a new fee structure, with more fixed fees.

4 Bailiff Service Provision

4.1 The contractor (s) appointed to supply bailiff services and debt collection to the Council must conform to the Rotherham specification and provide services in accordance with the conditions set out in the specification for the following services:

- Council tax
- Business rates
- Overpayments of housing benefit
- Sundry debt collection
- Civil parking enforcement
- Warrants of arrest – this relates to committal proceedings where debtors fail to attend a court hearing.

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- 4.2 Attached to this report (Appendix A) is a copy of Sefton Bailiff Code of Conduct and this will form part of the new contract with the bailiff contractor (s). This covers required performance expectations and customer service standards. Bailiffs are instructed to stop any action where the customer maybe vulnerable. Examples of vulnerable customers are in the Bailiff Code of Conduct.
- 4.3 The contractor (s) must hold corporate membership of the Civil Enforcement Association. This includes guidelines under which their members operate.

5 **Procurement**

- 5.1 It is proposed that the procurement process will include a mini competition exercise conducted under the Rotherham Council EU Compliant framework for bailiff and debt collection services. The mini competition will be managed by the Council's Procurement Unit and will be published solely to the six Rotherham Council framework providers, and managed electronically within the North West Opportunities Portal, 'The Chest' to ensure auditability.
- 5.2 Rotherham MBC undertook the OJEU exercise for debt collection and bailiff services. The framework complies with the Council's Constitution (chapter 11) contract procedure rules. Any Council in the Municipal Journal can access the Rotherham framework agreement, and also hold a mini competition of the bailiff companies who were selected for the framework agreement.
- 5.3 Details on the framework are published – <http://www.publictenders.net/node/1817544>
- 5.4 The Rotherham framework procurement process undertaken was extensive including interviews with the providers. The following six service providers are available through the Rotherham framework:
- Bristow and Sutor
 - Jacobs Certificated Bailiffs
 - Phoenix Commercial Collections
 - Equita ltd
 - Newlyn PLC
 - Rossendales Ltd
- 5.5 The evaluation process by the working group will determine if all six companies are selected for interview.
- 5.6 The contract will be for a 3 year period in the first instance, with annual options to renew up to a maximum of 5 years, in accordance with the tender specification which includes satisfactory performance.

6. **Award Criteria**

- 6.1 The contract will be awarded utilising a weighted scoring system of:
- Price value - 30%
 - Quality of Service (includes interview) – 70%. The interview process will explore how the bailiff companies differentiate between those who 'won't pay' and those who 'can't pay'. Also the advice and guidance they give to vulnerable persons.

6.2 The mini tender evaluation criteria will include under the priority headings:

Quality of Service -

- Experience, quality and expertise
- Administration – including timescales for handling cases, turnaround time for queries and amendments and transparency of information.
- Complaint handling – including number of upheld complaints as % of numbers received, procedures in place to monitor outcomes and evidence of actions taken from that process.
- Innovation
- Bailiff coverage
- Software systems and access

Price Value –

- Price value – including commission charged on debt collection, cost of executing a warrant of arrest and details of any other fees to be charged to the Council or debtor – not including statutory costs incurred by debtor.
- Collection performance – including evidence of current and past collection performance for existing contracts.

6.3 The procurement process will be completed by February 2014, with the contract to be awarded March 2014, with a start date of 1st April 2014.

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Code of Conduct for Bailiff Services

Sefton MBC
Code of Conduct for Bailiff Services

Updated August 2013

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Appendix A

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Appendix A

1. INTRODUCTION

The main objective for a Bailiff, together with the Council's Revenues Section is to provide an effective and efficient enforcement service in the collection of local taxation.

This code has been drawn up in an endeavour to achieve the very best practice in the conduct that is expected of our Bailiffs.

This document sets out Sefton Metropolitan Borough Council's operating requirements for Bailiff Services.

Failure to comply with the requirements of this code of conduct and the relevant Legislation may result in the Council terminating with the services of the firm of Bailiffs.

All Bailiff Company employees must be appropriately trained in and informed of the contents of this code of conduct, and must also be capable of acting at all times within the bounds of any relevant Legislation.

2. CORE REQUIREMENTS

Conduct of Visits

Bailiffs must at all times maintain the highest standards of professional and business ethics, integrity and practice. They must carry out their duties in a calm, dignified, and polite manner, and shall do nothing to prejudice the reputation and integrity of the Council. The Bailiff shall at all times act in a way to minimise embarrassment, inconvenience and distress to the debtor and/or his/her family.

Bailiffs must be presentable in their manner and dress, and act with discretion and fairness. Bailiffs must not drink alcohol whilst working on behalf of the Council. If a Bailiff experiences verbal abuse they must not respond, they are expected to remain calm and objective at all times.

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Only a Bailiff properly vetted and trained and under the control of a Bailiff, who is certificated by the County Court, may levy distress in respect of liability orders/judgements on behalf of Sefton Council. The Contracted Bailiff Company must at all times consist of at least 2 partners or directors who are members of the Enforcement Services Association (ESA).

The Bailiff must at all times carry on his/her person an identity card containing a photograph and contact telephone number, which should be produced to the debtor. The Bailiff must at all times make clear to the debtor the purpose of his/her visit and the fact that he/she is acting on instructions of the Council but is not directly employed by the Council. The Bailiff must adhere to the following standards:

- The Bailiff must comply with ESA standards, code of conduct and complaints together with National Standards for Enforcement Agents dated 2012.
- Be smartly dressed and look presentable at all times.
- Not discriminate on the grounds of age, colour, creed, disability, gender, race, religion or sexual orientation.
- Speak politely at all times and not act in an aggressive or intimidating manner towards others and not swear or use bad language in front of a debtor or his/her family.
- Respect confidentiality when third parties are present
- Not conduct enquiries by involving children under the age of 16, or the elderly/infirm.
- Not generate alarm with persons that are interviewed.
- Not call at premises after 9pm without prior permission from the Council.
- Not smoke in front of or whilst on the premises of the debtor.
- Not take photographic or voice recorded evidence without notifying the debtor and obtaining approval, save for inanimate objects (vehicles or other goods being distrained).

The Bailiffs firm must hold professional indemnity insurance to cover the acts and omissions of its employees, contractors and agents. The Bailiff firm shall satisfy the

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Council upon request that such insurance is in force and up-to-date at all times, and shall produce a valid policy if so demanded.

Upon receipt of an instruction to levy distress, the Bailiff should ensure that a visit is made to the debtor within a period of 7 days from receipt of the instruction. If contact is made, the Bailiff should attempt wherever possible to ascertain the debtor's employer's name and address/income support payment office and national insurance number (if applicable). If it is ascertained that the debtor is no longer resident, the Bailiff should make the appropriate local discreet enquiries to ascertain the date of leaving and the new address and then refer back to the Council with either the relevant information or to the effect that no further information is available. If the debtor has moved the Bailiff must refer back to the Council with the relevant information. On certain occasions the Council will require the Bailiff to prioritise certain cases, and the Bailiff will be expected to respond promptly.

In cases where an initial visit is made during normal working hours and because the debtor was not in, another visit is made on the same day, the second visit should not incur the statutory charge unless it is made after 6.00pm. or it is known that the debtor will return at an earlier time.

The Bailiff must at all times carry the written authorisation of Sefton Council, to be shown to the debtor on request, and must hand to the debtor or leave on the premises the relevant documentation as required by the Legislation. Any walking possession agreement must be signed by the debtor at the time that the distress is levied, only after its meaning has been explained to the debtor.

The debtor is required to receive a copy of the inventory of the levy of goods, a copy of the walking possession agreement together with a schedule of all fees associated with a levy of goods, walking possession or close possession agreement...

If contact is made with the debtor, the Bailiff should attempt to recover the amount due as quickly as possible, **taking into consideration the circumstances of the debtor**. Wherever possible, if payment is not made in full at the time of the first visit, the debtor should be given the opportunity to enter into a walking possession

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agreement or instalment payment arrangement. Arrangements for payment of the total amount due can be agreed at the Bailiff's discretion and such arrangements should not exceed a 6-month period. The 6 month period starting as from the date the Liability Order was issued to the Bailiff firm. If the payment arrangement offered by the debtor will exceed 6 months, and the Bailiff considers it inappropriate to remove goods for sale, the Bailiff should refer back to the Council before agreeing to a payment arrangement exceeding 6 months.

The Bailiff should at all times use his/her professional judgement to refer back to the Council if he/she considers that, due to the personal circumstances of the debtor, it is considered inappropriate to proceed to levy distress. In particular, the Bailiff must refer back to the Council before continuing action if the debtor: -

- a) Appears to be over 70 years of age;
- b) Appears to be severely physically or mentally ill, severely disabled or suffering from mental confusion;
- c) Has young children **and** severe social deprivation is evident;
- d) Is disputing liability or claims to have paid or has applied for benefit or discount or is entitled to a reduction and it has not been granted;
- e) Is heavily pregnant or the spouse of the debtor is heavily pregnant;
- f) Is in mourning due to recent bereavement;
- g) Is having difficulty communicating due to profound deafness, blindness or language difficulties;
- h) Is unemployed and in receipt of Income Support/JSA payments from the DWP, and details are obtained of the debtor's National Insurance number and the address of the office from where benefit is claimed.
- i) Is employed and details of the employer's name and address are obtained;
- j) Long-term sickness or serious illness – this includes terminal illness and other illnesses that affect the person's ability to pay or deal with their own affairs.
- k) Is consulting his or her Councillor or Member of Parliament;
- l) Any other category defined by the Council.

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The Bailiff must use his/her professional judgement in all cases but in some of the circumstances detailed above, the Bailiff may consider it appropriate to refer back **after** the initial levy of walking possession. If items (h), (i) or (k) above applies, whilst the Council should be advised, recovery action should take its normal course unless otherwise instructed.

3. **Conflict of interest**

The Bailiff must inform their senior manager of any visit they receive where a conflict of interest may exist. A conflict of interest could be:

- If the Bailiff knows the debtor personally. For example, a friend, relative or associate.
- The Bailiff must not use their position or powers for personal gain. Gifts or bribes must always be reported to the Bailiff company manager.

4. **Levy and Distraint**

The Council's approach to debt recovery is "firm but fair" and in this context it must be accepted that distraint is the last option. Bailiffs will be expected to explore all other avenues before removal of goods or chattels is carried out. This does not mean that distraint is not to take place, but the Bailiff Company must be absolutely sure that no other course of action is available.

Before goods are removed contact must be made with aravto who will seek approval from the Client.

If the debtor contacts the Bailiffs prior to the removal with an acceptable offer of payment this should be accepted provided this offer is a minimum of 50% debt outstanding. .

All Bailiffs undertaking distress must hold a Bailiff's certificate under section 7 of the law of Distress Amendment Act 1888, as is required by regulation 45(6A) of the Council Tax (Administration and Enforcement) (Amendment) Regulations 1998. The Bailiff Company must ensure that the taking control of goods, and impounding

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Appendix A

or removal, is at all stages undertaken by, or directly supervised by, a Bailiff holding a current Bailiff's certificate.

In the case of Council Tax debts no distress may be made unless at least 14 days notice has been given in writing before the first visit to the premises where the distress is levied. This notice must contain the required information as prescribed by regulation 45A of the Council Tax (Administration and Enforcement) Regulations 1992.

The following goods must not be distrained: -

- Items of little or no value that do not belong to the debtor.
- Items to satisfy basic needs – basic clothing, beds and bedding.
- Items for residential safety – smoke alarms, fire extinguishers.
- Items used to combat disability or used to care for the sick.
- The main form of cooking – if the debtor owns a cooker plus microwave oven, it would be in order to distrain on the microwave.
- Fridges, freezers.
- Heating appliances where this would leave the premises without adequate heating especially in households comprising young children, the aged/infirm, disabled or sick.
- Items purchased using social fund payments provided by Job Centre Plus and/or Section 1 of the Child Care Act 1969 or the Children Act 1989.
- Tools, books, vehicles and other items necessary to the debtor in their employment business.
- Any item that is clearly identifiable as belonging to or for the exclusive use of a child.
- Any other item protected by law.

If the debtor claims that any goods are subject to hire purchase, or are otherwise not in their ownership, the Bailiffs should seek to see a copy of the relevant documentation.

Signed receipt for any goods removed should be given to the debtor.

Appendix A

When the debtor's goods are removed and sold at public auction, the Council must be provided with a full statement itemising the goods sold, the amount released, a breakdown of the costs incurred and a statement of the amount subsequently outstanding or overpaid as appropriate. In addition a copy to be sent to the debtor.

The Bailiff should not remove goods for sale unless it is anticipated that the sum realised will be sufficient to settle a substantial proportion of the amount outstanding, including costs. The Council may define "Substantial proportion".

No attempt should be made to levy, or distrain if the debtor's circumstances fall into one of the categories listed on page 5.

Before attending with a van in order to remove goods, the Bailiff must send to the debtor a letter warning of the intention to send a van and also warning of the costs involved in such a van attendance.

Under no circumstances is the Bailiff to force entry to a debtor's premises unless with the written consent of the appropriate Client Manager of the Council.

In the event of a breach of the peace occurring as the result of a Bailiff visit, the Council must be briefed of the circumstances of the case as soon as it is practicable, but in any event within 48 hours of the incident.

Where the Bailiff is unsuccessful in his/her attempts to obtain payment, and the liability order is to be returned to the Council, the order should be endorsed to the effect that the person making the distress was unable (and set out the reason) to find any or sufficient goods on which to levy. It should also be accompanied by a report summarising the action taken by the Bailiff together with any details ascertained concerning the financial/personal circumstances of the debtor.

5. Complaints

The Bailiff Company will provide the Council with a full response to complaints made by debtors direct to the Council concerning the activities of Bailiffs within seven days of the complaint being received and will provide copies of any documents which are considered relevant to the complaint. The Council will then

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Appendix A

respond directly to the complainant in accordance with the Council's complaints procedures.

The Bailiff Company will also inform the Council of any complaints with which they have dealt directly and provide copies of all correspondence to and from the complainants. Complaints made directly to the Bailiff Company should receive a response within 5 working days from the receipt of the complaint.

The Council should be notified of any complaints made against the Bailiff Company to the Enforcement Services Association, or the Association of Civil Enforcement Agents. Also, any complaint made to the county court if representation is made that a Bailiff is not fit to hold a certificate, the Bailiff Company must notify Sefton Council.

A register should be maintained to record all complaints.

The Bailiff Company must make available details of their comments and complaints procedure upon demand.

6. **Management Information/Access to Records/Instructions**

The Bailiff Company will provide Management Information, reports, the content and frequency of which will be agreed with the Council.

7. **Data Protection Act**

The Company shall ensure that all information coming into their possession is treated as strictly confidential and is not used for any other purpose.

All Bailiffs must comply with the provisions of the Data Protection Act 1984 and 1998. All data passed to the Bailiff Company by the Council, or obtained by the Bailiffs in the performance of their duties and services, remains confidential and the property of the Council at all times.

Appendix A

8. Data Security

The Bailiff Company will provide the Council with their data protection & security policies for the Council to approve.

9. Variations

The Council reserves the right to amend, suspend or discontinue any of the procedures and requirements in this Code of Conduct or introduce new procedures and requirements resulting from changed circumstances. The Bailiff Company will be notified in writing of any proposed amendments to the Code and will be invited to comment on their effect on working practices.

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Appendix A

10. Contact Details

Revenues Section:

Client Officers

Christine Finnigan, Partnership and Local Taxation Manager

0151 934 4161

Christine.finnigan@sefton.gov.uk

Angela Ellis, Customer and Transactional Services Support Manager

0151 934 2154

Angela.ellis@sefton.gov.uk

arvato government services:

Mark Barry, Head of Revenues

0151 934 4361

Mark.barry@sefton.gov.uk

Andy Jennings, Committal & Insolvency Manager

0151 934 4651

Andy.Jennings@sefton.gov.uk

Gary Davies, Principal Revenues Manager (Collection)

0151 934 4501

Gary.davies@sefton.gov.uk

Lezley Kynaston, Business Rates Team Manager

0151 934 4366

Lezley.Kynaston@sefton.gov.uk

Sally Neophytou, Business Rates Team Manager

0151 934 4387

Sally.Neophytou@sefton.sefton.gov.uk

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Parking Services:

Dave Marrin, Service Manager – Traffic and Transportation,

0151 934 4295

Dave.marrin@sefton.gov.uk

Linda Beatty, Parking Admin Officer

0151 934 2307

linda.beatty@sefton.gov.uk

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Report to: Cabinet **Date of Meeting:** 12th September 2013

Subject: Future Arrangements for Refuse and Recycling Collections

Report of: Director of Street Scene **Wards Affected:** All

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

Exempt/Confidential No

Purpose/Summary

To obtain approval to amend the Refuse & Recycling Collection Service in order to make provision for the collection of plastic and card, whilst also deferring the introduction of a charge for the collection of garden waste.

Recommendation(s)

That Cabinet agree to amend the Refuse & Recycling Collection Service, for an initial two year period, and to defer the proposed introduction of a charge for green waste collections.

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	✓		

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Reasons for the Recommendation:

The Council is faced with a number of changes to funding programmes, contractual and operational issues, and legislative amendments, relating to the collection and disposal of refuse and recyclable materials over the next two years.

In order to meet these requirements, amendments must be made to the existing service.

What will it cost and how will it be financed?

(A) Revenue Costs

There will be additional revenue costs arising from the introduction of plastic and card collection and for Monday/Saturday green waste collections. These costs can be contained within existing revenue budgets in conjunction with the utilisation of one-off resources from the recycling reserve and grant income.

More specifically, future revenue budgets currently include a total of £1million for plastic and card recycling in 2014/15 (£600,000) and 2015/16 (£400,000 in the MTFP) and also a savings requirement of £1million based on a proposal to charge for green waste collections. The availability of one-off reserves/grant provides a further resource of approximately £1million.

The containment of the proposals in this report within existing budgets means that the savings associated with the green waste charging proposals can be achieved without the need to introduce a charge for the time being.

(B) Capital Costs

There is a requirement for capital expenditure in order to procure suitable containers to collect the proposed additional recyclable materials. It is envisaged that this expenditure will be funded via prudential borrowing, with the cost of this borrowing for the trial period to which this report refers being contained within the available revenue. The longer term costs associated with this procurement will be identified and accounted for within the proposed additional report to be produced which will make recommendations for the ongoing operation of the Refuse & Recycling service post 2016. The existing vehicle fleet will be utilised on additional days to provide the proposed enhanced services.

Implications:

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

Legal

Under the requirements of the EU Waste Framework Directive (November 2008), and latterly The Waste (England and Wales) (Amendment) Regulations 2012, the Council is required to introduce a system to collect paper, metal, plastic and glass by January 2015. The current missing component of this collection schedule in Sefton is plastic. The implementation of the proposals contained in this report will allow Sefton Council to meet the requirements of this legislation in advance of the 1st January 2015 deadline.

The Council also has contractual relationship with an external organisation, Palm Recycling, for the collection of paper, glass, tin, textiles and food waste, for the period to August 2016.

Human Resources

There will be a requirement to employ additional staff, on a fixed term basis, to undertake the additional garden waste collections on a Saturday and Monday.

Equality

- | | | |
|----|--|-------------------------------------|
| 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:

If this proposal is agreed, there will be no impact on current service delivery, other than some potential changes to collection days for certain waste streams.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance has been consulted and comments have been incorporated into this report (FD 2522/13).

The Head of Corporate Legal Services (LD1827/13) has been consulted and comments have been incorporated into this report.

Are there any other options available for consideration?

Not at this stage.

Implementation Date for the Decision

After five-working days following publication of this decision, subject to "call-in".

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

Background Papers:

None

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BACKGROUND

1. The Council currently delivers a Refuse & Recycling Collection Service to some 125,000 properties across the Borough. An Alternating Weekly Collection (AWC) service utilises grey and green wheelie bins to collect non recyclable and garden waste. An external company collects a range of recyclable materials. There are some 14,000 properties at which the AWC service is not considered to be suitable, and therefore a sack collection service is provided at these premises.
2. The Council is required to introduce a system to collect plastic and card by 2015. Current arrangements provide a weekly collection service for glass, tin, textiles, paper and food waste. The collection of plastic and card has been introduced to a limited number of properties in the Borough following a recent successful bid for government funding to provide this service to households which still have a sack collection service. This enhanced service is being delivered with great success by the Council's in-house service.
3. The Council pays for the disposal of all waste generated via a levy payment to the Merseyside Waste & Recycling Authority (MWRA). All Merseyside authorities make similar payments to MWRA, based upon a formula linked to population and tonnages generated. This mechanism is currently being reviewed and it is expected that there may be some change to these arrangements over the next 18 months.
4. As part of the 2013/14 budget setting process to save £1m, it was agreed in principle to charge for the garden waste collection service.
5. Following consultation about the level of fee to be applied, it was agreed that all alternative options would be explored prior to any decisions about when charging for green waste collections would be introduced.

PROPOSED NEW SERVICES

6. It is proposed to introduce a number of changes to existing services, which will be reviewed on an ongoing basis from 2014 to 2016.
7. As part of the proposed new scheme, residents who currently receive an AWC service will receive a new blue wheelie bin which can be used for plastics and cardboard recycling. This will be collected on the same day but on alternative weeks to the grey non-recyclable household waste bin.
8. To facilitate this new grey/blue alternating weekly collection service, the collection arrangements for the green garden waste bin collection will be amended and these bins will be collected on Saturdays and Mondays. Based on data collected since the introduction of the service, it is also proposed to provide this service from 1st February to 30th November each year, as during December and January each year collection costs rise dramatically due to the huge drop in garden waste presented for collection.
9. There will be no changes to the current weekly recycling collection service (via the green box, blue bag, pink bag and food caddy) which is for the collection of glass, cans, paper, textiles and food.

10. The Council's existing vehicle fleet will be utilised on the proposed additional collection days. Additional staff will be required to operate the Saturday and Monday green collection service.

IMPACT ON FUTURE SERVICE PROVISION

11. By changing the format of the core Alternate Weekly Collection (AWC) service to include the collection of cardboard and plastics for recycling, and changing the days on which green waste is collected, the requirement for additional funding is deferred.
12. The Council will still have to fund the cost of the new Saturday/Monday green waste collection service, but as this is less than the funding identified to pay for plastic and cardboard collections, charging for green waste can also be deferred.
13. By utilising existing resources and funding streams, all of the proposals contained within this report can be delivered over the next two years without the requirement for additional revenue support. During this period the future funding arrangements for the MWRA levy is likely to be agreed, and any impact arising from the amendments to the existing AWC service, and the changes to the garden waste collection service, can be fully assessed. A further report will therefore be produced making recommendations for the ongoing operation of the Refuse & Recycling service post 2016, whilst also detailing any financial implications arising from this amended service accordingly.

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Report to: Cabinet

Date of Meeting: 12th September 2013

Subject: Specialist Transport Unit Passenger Transport Framework Agreement

Report of: Director of Street Scene **Wards Affected:** All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

In July 2013 permission was granted by the Cabinet Member – Transportation, to extend the current ‘Bus & Taxi Framework Agreement’ to 31st December 2013. This was to allow time for a procurement exercise to be undertaken via an open OJEU process. This procurement process has now been undertaken to obtain proposed bus and taxi costs to the Council with effect from 1st January 2014.

Recommendation(s)

That Cabinet:

1. Approves the pricing framework procured through the tendering process; and
2. Gives approval for the Specialist Transport Unit to plan and award routes accordingly in the most financially advantageous manner to the Council using the new pricing framework, with effect from 1st January 2014.

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	✓		

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Reasons for the Recommendation:

To enable the Council to provide a service, to whatever level and volume it requires, for the transportation of vulnerable residents by external bus and taxi companies, and to be able to effectively budget for such expenditure over the coming two years.

What will it cost and how will it be financed?

(A) Revenue Costs

The revenue costs associated with transporting children and adults to and from specific destinations are met by the 'Commissioning Departments', namely Adult Social Care and Children's Services. The costs of the services are in direct correlation with the numbers of clients commissioned via each Department. The transport is co-ordinated and sourced via the Specialist Transport Unit, based upon the requirements of the Commissioning Department. The Framework Agreement ensures that any transport provided on behalf of the Commissioning Department is done so at the best available rates.

(B) Capital Costs

There are no capital costs associated with this process.

Implications:

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

Legal

All legislative requirements in terms of transporting vulnerable clients, providing transport services, and the Safeguarding responsibilities of the Council, have been evaluated and addressed as part of this OJEU procurement exercise.

Human Resources

There are no HR issues associated with this procurement exercise.

Equality

- | | | |
|----|--|-------------------------------------|
| 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:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and has no comments to add to the report (FD2518)

Head of Corporate Legal Services (LD1823) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

No. Based upon the level of requests from Commissioning Departments and Sections there is currently an ongoing need for the Council to provide specialist transport to some residents. As such, this procurement exercise, and the subsequent production of a Framework Agreement, provides the Council with the opportunity to procure services at the most economically advantageous rates, whilst also meeting the stringent Health & Safety and Safeguarding issues associated with transporting vulnerable clients.

Implementation Date for the Decision

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

Contact Officer: Andrew Walker, Head of Direct Services
Tel: 0151 288 6159
Email: andrew.walker@sefton.gov.uk

Background Papers:

None

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Background

1. During 2012/13, the Specialist Transport Unit (STU) utilised 19 in-house vehicles of varying sizes and ages. These covered 17 routes on a daily basis, utilising 21 drivers and 96 passenger assistants. The STU also subcontracted 96 buses and between 175 and 190 taxi and private hire vehicles per day within school term time, due to the changing requirements of users. In addition, the external contractors also supplied some 140 passenger assistants.
2. Within Sefton, there have previously been separate framework agreements in place for buses and taxis. The current 'Hired Passenger Transport Framework Contract' was set up in 2011 and is scheduled to end on December 31st 2013.
3. The annual expenditure for hired taxis is circa £1.3 million and for hired buses circa £2.75 million, equating to a total annual expenditure of over £4 million. This level of expenditure required that an OJEU competitive tender process was undertaken to allow potential contractors to offer transport prices for the range of vehicles necessary to meet the specialist transport requirements in Sefton.

The Tender Process

4. The NWCE Chest Portal was used by the Corporate Purchasing Unit for prospective contractors to be issued with an Invitation to Tender (ITT). Tender submissions that were then received from companies within the necessary timescales were subsequently evaluated accordingly.
5. A total of 40 contractors registered an interest via the NWCE Chest Portal. Of these, some 33 contractors subsequently submitted documentation. 3 of these contractors were unable to pass the 'Mandatory Checks', and so 30 bids were evaluated. 19 of the successful contractors who submitted prices are based in Sefton.
6. Contractors were invited to submit a price per mile for the provision of a range of vehicles. The tender document was therefore split into four areas, or 'lots':
 - Lot 1 required a price per mile for a vehicle licensed to carry up to 5 passengers. These vehicles would typically be saloon cars and Hackney Cabs.
 - Lot 2 required a price per mile for a vehicle licensed to carry up to 8 passengers. These vehicles would typically be 'people carriers'.
 - Lot 3 required a price per mile for a vehicle licensed to carry up to 16. These vehicles would typically be the 'ambulance' type vehicles, currently seen transporting passengers in Sefton.
 - Lot 4 required a price per mile for a vehicle licensed to carry 17+ passengers. These vehicles would typically be 'coaches' of varying sizes up to a capacity of 52 passengers.
7. Example workloads of some 300 routes were created for inclusion within the tender documentation. This information contained a range of seating profiles and capacity splits across the full spectrum of potential requirements. Routes totalling 10 miles, 20 miles, 30 miles and over 31 miles were also included across all seating and capacity splits. This enabled contractors to include all potential factors which may have affected their price proposals prior to arriving at their cost per mile bids.

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8. Contractors were also invited to submit a cost per hour for the provision of a Passenger Assistant based on an example annual work load of 44,500 hours.
9. The tenders have been evaluated based on a 'Quality' score for each contractor, representing 20% of the available points and the 'Cost' element representing 80% of the available points. All contractors awarded work within this framework agreement become 'Approved Suppliers' within the agreed and accepted Terms and Conditions. These include defined service level standards and also specific policies relating to the safeguarding of any vulnerable adults and children transported.

Proposed Framework Agreement

10. The prices tendered by potential contractors are shown below. Additional information has been supplied including minimum charge rates, passenger assistant hourly rates and vehicle types, which will be used to allocate routes accordingly.

Lot 1 –

Lot 1 required a price per mile for a vehicle licensed to carry up to 5 passengers. These vehicles would typically be saloon cars and Hackney Cabs.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
M	76.49	18.2	94.69
D	80.00	13	93.00
A	79.27	12.8	92.07
G	71.77	18.2	89.97
V	72.67	16.2	88.87
AB	75.17	13.2	88.37
R	75.83	12.4	88.23
L	72.67	11.2	83.87
F	69.21	14.6	83.81
T	68.66	14.4	83.06
U	65.07	16	81.07
B	64.59	14.4	78.99
AH	64.12	12.8	76.92
Q	59.77	16.6	76.37
K	60.14	8	68.14
AC	39.82	15.6	55.42
P	50.11	0	50.11
AG	16.89	15	31.89
Z	9.85	12.4	22.25

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Lot 2 –

Lot 2 required a price per mile for a vehicle licensed to carry up to 8 passengers. These vehicles would typically be ‘people carriers’.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
D	80.00	13	93.00
C	76.37	16	92.37
A	78.99	12.8	91.79
R	76.90	12.4	89.30
V	70.68	16.2	86.88
AB	73.13	13.2	86.33
T	66.97	14.4	81.37
U	65.05	16	81.05
AH	65.54	12.8	78.34
B	47.90	14.4	62.30
AE	42.03	15.4	57.43
AC	38.27	15.6	53.87
K	45.44	8	53.44
AA	34.80	8.6	43.40
L	20.61	11.2	31.81
AG	10.72	15	25.72
AF	10.72	14.8	25.52
Y	10.33	13.2	23.53
Z	10.33	12.4	22.73
J	2.92	13	15.92

Lot 3 – Licensed to carry up to 16 Passengers

Lot 3 required a price per mile for a vehicle licensed to carry up to 16. These vehicles would typically be the ‘ambulance’ type vehicles, currently seen transporting passengers in Sefton.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
D	80.00	13	93.00
V	68.04	16.2	84.24
K	51.56	8	59.56
AE	43.23	15.4	58.63
L	43.11	11.2	54.31
AC	33.87	15.6	49.47
AA	29.44	8.6	38.04
X	18.49	15	33.49
AG	17.7	15	32.70

H	17.04	14.8	31.84
O	16.57	13.8	30.37
AF	10.32	14.8	25.12
I	11.32	12.4	23.72
Y	9.44	13.2	22.64
Z	7.52	12.4	19.92

Lot 4 – Licensed to carry 17+ Passengers

Lot 4 required a price per mile for a vehicle licensed to carry 17+ passengers. These vehicles would typically be ‘coaches’ of varying sizes up to a capacity of 52 passengers.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
D	80.00	13	93.00
V	66.33	16.2	82.53
AE	38.92	15.4	54.32
X	18.16	15	33.16
AG	17.94	15	32.94
AA	17.85	8.6	26.45
AF	8.84	14.8	23.64
Y	8.45	13.2	21.65
I	9.01	12.4	21.41

11. The acceptance of this Framework Agreement guarantees no specific volume of work to any individual contractor. It does, however, allow the Specialist Transport Unit to produce price-based tables for each specific mode of transport. The cheapest available contractor can then be selected for each individual journey, irrespective of journey time, distance or type of vehicle.
12. This tender process methodology has provided a framework of proposed service costs, which are at least equal to those currently being operated. This means that despite increasing costs of fuel, insurance, etc, potential contractors have in general provided prices per mile which are equivalent to those enjoyed over the last two years. There will therefore continue to be savings generated by the adoption of this Framework Agreement. These savings will be further enhanced through the route optimisation process operated by the Specialist Transport Unit, following the implementation of the planning software known as ‘Cleric’.
13. The full extent of the savings to be generated via this tender process methodology will be calculated once routes are allocated based on the costs offered within the Framework Agreement on January 1st 2014. It is therefore proposed to present a full financial review and report for the Specialist Transport Unit to Cabinet Member – Transportation, in February/March 2014.

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Report to: Cabinet **Date of Meeting:** 12th September 2013

Subject: Future arrangements for the delivery of Information, Advice and Guidance (IAG) and Post 16 data tracking Services in Sefton

Report of: Director of Young People and Families **Wards Affected:** All

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

Exempt/Confidential No

Purpose/Summary

1. To update the Cabinet on the current position regarding the delivery of Information Advice and Guidance/Post 16 data tracking services in Sefton.
2. To inform Cabinet of the need to serve notice on the termination of contract with the Greater Merseyside Connexions Partnership (GMCP) by 31st March 2014.
3. To seek the approval of the Cabinet for officers to begin the process of issuing an Invitation to Tender to award the Information Advice and Guidance contract and Post 16 Data tracking.
4. To inform the Cabinet that current options under consideration include procuring elements of the Post 16 data tracking service in conjunction with the other 5 Liverpool City Region (LCR) Local Authorities.

Recommendation(s)

That

- (1) the developments regarding Information Advice and Guidance /Post 16 data tracking provision in Sefton be noted
- (2) notice be issued to Greater Merseyside Connexions Partnership to terminate the current contract with effect from 31st March 2014; and
- (3) the evaluation criteria for tenders to provide the Information Advice and Guidance and post 16 data tracking activity post April 2014 be approved.
- (4) the option of procuring elements of the Post 16 Data Tracking Services in conjunction with the other 5 LCR Local Authorities be noted.

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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 provide an Information, Advice and Guidance/ Post 16 Data Tracking service post April 2014.

What will it cost and how will it be financed?

(A) Revenue Costs

The current budget for 2013/14 is £1,290,000 but this will reduce to £890,000 in 2014/15. The commissioning process will be undertaken within the context of the 2014/15 budget of £890,000.

(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:

Legal

It is assumed that the statutory duties for providing Information Advice and Guidance, preventing and eradicating NEET (Not in education, Employment or training) will remain for the foreseeable future. Therefore we have a legal duty as a council to provide these services to young people. The current contract held on behalf of the six boroughs of Merseyside and Halton, by the borough of Halton, will formally cease on 31st March 2014.

Human Resources The contract is managed by the Senior Officer for 14-19 Strategy and Management from the Schools & Settings Improvement Service	
Equality	
1. No Equality Implication	<input type="text" value="1"/>
2. Equality Implications identified and mitigated	<input type="text"/>
3. Equality Implication identified and risk remains	<input type="text"/>

Impact on Service Delivery:

The recommendations will enable the delivery of a more responsive, flexible service.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT has been consulted and would advise that the budget provision for advice and guidance and post 16 data tracking services, has been reduced by £400k as part of the 2014/15 budget savings process, and it is therefore hoped that a renewed contract can be maintained within this lower level of available resources. (FD2453/13)

The Head of Legal Services has been consulted (LD1758/2013) and any comments have been incorporated into the report.

Are there any other options available for consideration?

No

Implementation Date for the Decision

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

Contact Officer: Eddie Sloan

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Background Papers:

None

Agenda Item 14

1.0 INTRODUCTION/BACKGROUND

Information, Advice and Guidance (IAG)

- 1.1 Sefton Council is required to commission a service to fulfil its statutory duties as set out in the Education Act 1996 (as amended) and the Education and Skills Act 2008.
- 1.2 The current targeted Information, Advice and Guidance (IAG) Greater Merseyside Connexions Partnership (GMCP) contract and service commenced 1st April 2010 and was commissioned by Halton Borough Council, in partnership with the other Liverpool City Region (LCR) Local Authorities (LA).
- 1.3 The current service is a targeted careers and IAG service, specifically for those young people who are not in education, employment and/or training (NEET) or those who are at risk of becoming NEET, together with young people identified as vulnerable. This current contract with GMCP expires 31st March 2014.
- 1.4 The contract value has gradually decreased per borough over the years, reflecting budget pressures, whilst at the same time the statutory duties to Raise the Participation Age (RPA) to 18 by 2015, reduce NEET for all 16-18 year olds and to give special focus on vulnerable groups has become more rigorous than ever.
- 1.5 Sefton has developed a Raising Participation Strategy, with its 14-19 partners, and a key element to enable this strategy to work has been the deployment of the Connexions service as executors of the Local Authority's statutory duties and accountabilities.
- 1.6 The National policy landscape has changed significantly, during the life of this contract, and this is reflected by the current service. The 2013/14 service delivery is more flexible, delivered from two bases in Southport and Bootle, and operates around key function blocks designed and agreed between the Sefton 14-19 Manager and the local Connexions service.
- 1.7 GMCP has also operated a Post 16 Tracking and Data service which is a national requirement, with monthly reports to Department for Education (DfE).

2.0 POLICY BACKGROUND

- 2.1 Local Authorities have a statutory duty to encourage, enable and assist young people to participate in education and training, with a particular focus on young people not in education, employment or training (NEET) and vulnerable young people. To understand and demonstrate the impact of funding and resources, there must be strong mechanisms in place for recording and reporting post-16 learning destinations of young people aged 16-19.
- 2.2 Under the Education Act 2011, Local Authorities have a statutory responsibility to record and report the education, training and employment status of their 16-18 year old residents (national curriculum academic years 12, 13 and 14) to the DfE on a monthly basis. Local Authorities also need to undertake further surveys to record the

intended destinations of those in Year 11 and a follow-up survey with these young people in the autumn term.

- 2.3 The same Act determined that from September 2012 schools/colleges/providers have responsibility to deliver careers IAG to their learners, and local authorities have had no duty to deliver a Post 16 IAG service from that date.
- 2.4 Local Authorities Raising Participation Age (RPA) plans will now be inspected by OFSTED, as part of reviewing Local Authority arrangements for supporting school improvements.
- 3.0 **IAG AND POST 16 DATA TRACKING FROM 1 APRIL 2014**
- 3.1 The recent arrangements with this contract as part of a Liverpool City Region offer have had the advantages of good cross border working, with Connexions able to deploy resources and personnel in an efficient way, and the contract management high level arrangements being done through a single borough on behalf of the rest.
- 3.2 However, as each borough has been responding to changes in the national landscape, there have been emerging differences in the way each of the LCR boroughs want to take this agenda forward. Developments have often been slower than necessary as each borough has been at the mercy of other Local Authority's demands and nuances. Also, as each borough has undergone its own transformation agenda, the shape of services to help young people have become individualised.
- 3.3. As a consequence, following extensive consultation between senior leadership teams, each Local Authority has opted to commission its own individualised IAG activity from 2014 onwards. Following a review of the current service, Sefton has decided to commission activity as a stand alone borough, enabling the Authority to have more control of its services and removing the reliance on other Local Authorities in delivering IAG.
- 3.4 The budget for targeted Information Advice and Guidance and Post 16 data tracking services, and discharge of the other statutory duties for 2014 onwards has been set already by council, and represents approximately two thirds of the budget available for the similar activity in 2012/13.

The successful organisation will:

- work with schools and colleges to deliver the “**September Guarantee**”. This is a legal requirement ensuring that all 16- and 17-year-olds are offered (and agree) a suitable place in education or training, including in schools, colleges or work-based training. for the years following their 16th and 17th birthdays respectively.
- establish an ongoing NEET and at risk of NEET register
- provide quality impartial advice and guidance to vulnerable groups and individuals

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- provide timely risk assessments and interventions with young people
- operate the Post 16 Tracking and Data service which is a national requirement, with monthly reports to DfE
- target specialist provision working with Sefton YOS and LAC/Care Leaver teams and learners with Special Needs to the age of 25.
- provide 450 (average) Learning Disability Assessments (section 139A reports)
- undertake area Based working covering all parts of the borough
- provide generic support services to the council and its 14-19 partners regarding Careers Information Advice and Guidance
- assist in the procurement of new training and education provision where there are gaps.

3.5 It is proposed that the Commissioning process will include a Tender exercise, managed by the Council's Procurement Unit and will be published and managed electronically within the North West Opportunities Portal, 'The Chest'. The contract will be for a 3 year period in the first instance, with an option for 2 one year extensions subject to satisfactory performance.

4.0 **SELECTION CRITERIA**

4.1 The contract will be awarded utilising a weighted scoring system of:
Price - 30%
Quality – 60%
Interview – 10%

The quality indicators will include a successful track record of delivering excellent services in this field, knowledge and understanding of the holistic needs of young people in Sefton, excellent knowledge of the education and training opportunities in and around Sefton and access to other sources of additional support, beyond council resources.

4.2 The procurement process will be completed by December 2013, with the contract to be awarded on 1st January 2014, with a start date of 1st April 2014.

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Report to: Cabinet

Date of Meeting: 12th September 2013

Subject: Service and Maintenance of Community Equipment -
Approval for Tender Process.

Report of: Director of Older People

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

The purpose of this report is to seek approval for an EU-compliant tender exercise to be conducted, in collaboration with Liverpool Community Health NHS Trust, for the service and maintenance of community equipment. Approval is also sought to delegate the final awarding of the contract to the Director of Older People.

Recommendation(s)

That Cabinet:-

[1] Authorises the Director of Older People to conduct an OJEU Open Procedure tender exercise in collaboration with Liverpool Community Health NHS Trust for a new contract to run for a period of three years from 1st April 2014 ,with the option of two further one-year extensions;

[2] Approves the basis of evaluation of tenders as set out in paragraph 2.2 of the report;

[3] Authorises the Director of Older People to approve the Tender in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Older People and Health.

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		√	

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7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation(s):

The contract is currently held by Creedon Healthcare, and will expire on 31st March 2014.

Approval for the Council to carry out a Collaborative Tender exercise with Liverpool Community Health NHS Trust for the new contract will realise the benefits and economies of scale by combining the different requirements under the one contract.

The tender exercise will be required to follow an OJEU Open Procedure in collaboration with Liverpool Community Health NHS Trust.

What will it cost and how will it be financed?

(A) Revenue Costs

Continued service and maintenance under contract will be funded from existing revenue budgets

(B) Capital Costs None

Implications:

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

Legal		
Finance		
Equality		
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:

In terms of current service delivery there will be no impact, as servicing and maintenance of such equipment is a statutory responsibility and must therefore continue.

What consultations have taken place on the proposals and when?

Consultations have taken place with Central Procurement (commenced in March 2013) and also with Liverpool Community Health NHS Trust Procurement.

The Head of Corporate Finance and ICT has been consulted and her comments have been incorporated in the report (FD 2463/2013)

Head of Corporate Legal Services (LD 1768/2013) have been consulted and has no comments on the report

Are there any other options available for consideration?

If approval is not given for the tendering process, the statutory responsibilities relating to the servicing of community equipment will be jeopardised, resulting in client risk and reputational damage for the organisation.

Implementation Date for the Decision

Following the expiry of the "call-in" period after the publication of the Cabinet decision.

Contact Officer: Tina Wilkins, Head of Vulnerable People.
Tel: 0151 934 3329.
Email: Tina.Wilkins@sefton.gov.uk

Background Papers:

None.

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1. Introduction/Background

1.1 The contract for servicing and maintenance of community equipment in Sefton, currently held by Creedon Healthcare, will expire on 31st March 2014. (The original contract commenced on 1st November 2008 until 31st October 2011, with options to extend for a further 2 x 1 year. Approval for a further contract extension has been given through a Chief Officers Report). The Council has statutory responsibilities relating to service and maintenance of such equipment, and the provisions must therefore continue.

1.2 The contract covers a range of equipment purchased both by Sefton Council and by Liverpool Community Health NHS Trust, and relates to Portable Appliance Testing (P.A.T.), Lifting Operations and Lifting Equipment Regulations (LOLER) and general servicing requirements. The current cost for the contract is £140k per annum and is funded jointly by the Council and the NHS.

1.3 In order to realise efficiencies in the final contract, a collaborative tender exercise with Liverpool Community Health NHS Trust is being proposed as there is currently no formal contract in place for Liverpool Community Health equipment.

2. Tender Method

2.1 The tender exercise will follow an OJEU Open Procedure in collaboration with Liverpool Community Health NHS Trust.

2.2 The tender exercise is to be conducted electronically via The Chest hosted by Due North. Tenders submitted in any other way will be disregarded.

2.3 Bidders will be deemed to understand the processes which the Council is required to follow under European and domestic legislation (particularly in relation to public procurement rules) where such legislation might apply. However, the Council believes that the current procurement is subject to such legislation on the basis that the services being procured are "Part A" services.

2.4 For this reason, the Council is bound to follow any of the procedures laid down in Directive 2004/18/EEC or the Public Contracts Regulations 2006. It is the intention of the Council to invite full tenders to be submitted in accordance with these instructions, and then to invite the highest-scoring Bidders (between 1 and 3 Bidders in total, subject to the number of Bids received and outcome of the initial evaluation) to the interview stage of the process.

The submitted tenders will initially be evaluated using the most economically advantageous offer to the Council. The process to be used is described below:-

2.5 Stage 1 Selection Criteria: All Bidders will initially be evaluated on their responses to a number of the questions contained within Part A – Selection Criteria Questionnaire.

This is divided into 7 sections, as listed below:-

- Organisation Information
- References

- Financial information
- Insurance
- Equal Opportunities
- Health & Safety
- Professional Conduct

The Council is seeking to identify appropriate organisations with sufficient capacity and capability to deliver the contract. This is a pass/fail stage and a fail in any section will result in the failure of the whole bid.

2.6. Stage 2 Award Criteria: Price 50% and Quality 50%, with 10% of the latter being reserved for the interview process. All bids which have passed Stage 1 will be evaluated. Quality measures will include:

- Experience, quality and expertise.
- Administration, including service turnaround times.
- Planning & performance management
- Risk management
- Service activity and outputs
- Engagement of service users, and complaint-handling.
- Information governance and data protection.
- Implementation plan

2.7. The evaluation will be conducted by officers from: Sefton MBC Commissioning and Contracts, Sefton Community Equipment Services, and Liverpool Community Health (Equipment Service Strategic Manager, Medical Devices Manager and Procurement Manager). The officers involved will score each section against agreed criteria, with scores then being added into the overall bid scoring.

2.8. Prices will be fixed for the period of three years from the contract start date. After this time, when the contract goes to the two extension periods, costs can be negotiated. For the sake of clarity, the first available, evidenced and justified price increase application cannot be made until 3 months from the end of this period, and will be limited to 2% or the prevailing CPI rate, whichever is the lowest. Any proposed price increase must be justified, as the contract must be sustainable. If a contractor is prepared to offer a fixed price for the duration of the contract, then this should be stated.

2.9. The new contract will run for a period of three years from 1st April 2014, with the option of two further one-year extensions.

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Report to: Cabinet

Date of Meeting: 12th September 2013

Subject: Procurement of School Nursing Service and the Integrated Community Sexual Health Service

Report of: Dr Janet Atherton - Director of Public Health **Wards Affected:** All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential

No

Purpose/Summary

The purpose of this report is to seek approval for the procurement of the School Nursing Service and the Integrated Community Sexual Health Service during 2013 /14 and seek relevant approvals for the EU-compliant tender exercise.

Recommendation(s)

1. That Cabinet authorise the Director of Public Health to conduct OJEU Open Procedure tender exercises for the 2 new contracts to run for a period of three years, with the option of 2 further one-year extensions for each service. These contracts are the School Nursing Service and the Integrated Community Sexual Health Service
2. That Cabinet approve the basis of evaluation of tenders as set out below
3. That Cabinet authorises the Director of Public Health to accept the Highest Scoring Tender in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Older People and Health.
4. That Cabinet authorises the Director of Public Health to have delegated authority to award the contracts on completion of the tender process
5. That Cabinet agrees to waive Contracts Procedure Rules and authorises a 6 month extension of the existing School Health Contract to enable the procurement process to be completed

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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:

This is due to:

- Procurement requirements in line with council policy.
- The current contracts are due to expire on the 31st March 2014.
- The sexual health contract has been extended for the previous 2 years without open procurement activity
- The recent request for Expressions of Interest identified a number of possible providers

What will it cost and how will it be financed?

(A) Revenue Costs

The cost of the new contracts will be met from within the Public Health budget allocated for this purpose. The current contract values are: Integrated Community Sexual Health Service, £2.3m per annum; and School Nursing Service, £1.5m per annum.

The cost of the school health contract extension would be £750,000 and this would be contained within the existing £1.5m allocated for School Nursing. There is a ceiling price on the tender for the new School Nursing contract and therefore there would be no additional in year costs with regard to the council extending the current contract.

Recognising the uncertainty of future funding, in particular the uncertainty over the Public Health budget allocation from central government beyond the second year, the Invitation to Tender makes it clear that the price agreed for the contract is subject to the ongoing availability of sufficient funding and that in the event that during the contract period the Local Authority does not have sufficient funds to cover the price of the contract the Contractor will develop and agree a contract variation with the Commissioner such that the contract price remains within the funding available

(B) Capital Costs

None

Implications:

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

<p>Legal There is a risk that the Council could be challenged for extending the contracts with the current providers. However, as the extension is relatively short [6 months] and is for the purpose of facilitating an OJEU Open Procedure tender exercise , that risk is relatively low.</p>						
<p>Human Resources</p>						
<p>Equality</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">1. No Equality Implication</td> <td style="width: 40%; text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>2. Equality Implications identified and mitigated</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>3. Equality Implication identified and risk remains</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	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"/>
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:

Implementing the new contracts will enable the provision of innovative client-centred services with good clinical governance for residents in Sefton.

Sufficient time has been allowed in the process for smooth and effective implementation of the new contracts.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and her comments have been incorporated into the report. Budget provision for the proposal exists within the ring-fenced Public Health budget (FD2496/13)

Head of Corporate Legal Services has been consulted and any comments have been incorporated into the report (LD1801./13).

Planned consultation with Stakeholders, at a Stakeholder Event to be held at Bootle Town Hall on 27th September 2013. This event will present the Commissioner’s understanding of needs, current and emerging patterns of current service delivery models within the borough and vision for future services in Sefton. The session will also engage stakeholders in Workshops to test the analysis/understanding and help develop/confirm the outcomes sought.

Specific consultation and engagement with the CCGs, Headteachers and Providers has been completed. Future engagement of young people will be undertaken in partnership with the Youth Service.

Once the contract has been awarded specific consultation with service users and the new providers will take place to ensure smooth implementation of the new service and minimum disruption for service users.

Are there any other options available for consideration?

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None

Implementation Date for the Decision

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

Contact Officer: Janet Atherton

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Background Papers:

There are no background papers available for inspection.

Introduction/Background

1. The Sexual Health Service (currently provided by Southport and Ormskirk Hospital Trust) and the School Nursing Provision (currently provided by Liverpool Community Health) have been re-specified. These contracts are due to expire on the 31st March 2014. Procurement schedules have been defined with the understanding of the numbers of services who have expressed interest through advertisements on e-procurement portal "The Chest".
2. In commissioning the new service the Council has sought to commission provision of innovative client-centred services with good clinical governance for residents in Sefton.
3. The school nursing contract currently includes vaccinations and immunisations. These are still being reviewed in terms of responsibility and funding across health partners (NHS England Area Team, Public Health England). It would be therefore not appropriate to procure this service until this review has been completed. This would mean that the procurement process would not be able to start until January 2014.
4. As a consequence of this and that the current School Nursing contract is due to expire on the 31st March 2014; we would not have enough time to complete the procurement process.
5. The Cabinet is requested to waive Contracts Procedure Rules and to authorise a 6 month extension of the existing School Health Contract to 1st September 2014 to enable the procurement process to be completed
6. It is intended that the outcomes achieved by the new contract/service will include the following:

Improving the sexual health outcomes of the population of Sefton

- Reduce unintended conceptions (including teenage pregnancies) by provision of sexual health promotion and education at Levels 1, 2 and 3 contraceptive services through to referral to abortion services in line with national guidance.
- Reduce the prevalence and transmission of undiagnosed HIV and Sexually Transmitted Diseases (STIs), including through increased awareness and easy access to testing & treatments and partner notification.
- Ensure that services are user friendly irrespective of disability, ethnicity, sexuality, gender, age, religion and spirituality.
- Provide "young people/ user friendly" services, in line with the needs of the local population and the relevant quality assurance frameworks.
- To provide a high quality needs led, targeted service in order to reduce the burden of poor sexual health outcomes for identified at risk/vulnerable groups, and in so doing contribute to reducing overall health inequalities.
- Demonstrate compliance to undertaking impact assessments on current and future policy.

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- Demonstrate interventions to reduce inequalities across all the protected patient characteristics as defined by the single equality legislation.

School Nursing Service

7. The School Health Service is about ensuring provision to all school aged young people (5 – 19 years), including those not in school or college (e.g. home educated, in private education settings, in special education services and those excluded from education). The service should provide cover for school holiday periods. The service will proactively work to provide an ongoing commitment to the Sefton integrated model of service delivery. Therefore the special school, LAC and Out of School nursing services will work together with school nurses to deliver support to the whole family and provide:
 - Early identification of needs to improve the health, wellbeing and safeguarding of children and young people (and their families)
 - Early access to health services relating to, weight management, sexual health, smoking cessation, emotional health and well being, drug and alcohol services and targeted services as required;
8. The service will provide a health service for children and young people in Sefton of school age. It will be delivered by nurses within Sefton schools during term time and through appropriate bases during school holidays. The service will seek out and provide for individual and group health needs on a universal basis, focusing on the promotion of health and the prevention of disease from the earliest age.
9. It is intended that the improvements for Service users will include interventions that will be based upon up-to-date evidence-based practice and relate to need. This will include (but not limited to) the following services:
 - Early identification of health needs through formal partnerships with schools
 - Underpinning activities and approach (including safeguarding);
 - Universal advice and support to schools, young people and their families;
 - Signposting and hand-holding into services;
 - Immunisations;
 - Child Measurement Programme

Process

10. A full open procurement process will be engaged in order to award the contracts, with the contract being advertised using an e-procurement portal “The Chest”. Submissions will be invited from Sole Contractors, Prime Contractors with sub-contracted third parties providing some of the service or consortia of agencies working in partnership and exercising effective “end-to-end” accountability for all elements of the service.
11. The tender exercise will follow an OJEU Open Procedure. Approval is requested for Chief Officer delegated authority to award the contract on completion of the tender process.

12. The new contract will run for a period of three years from 1st April 2014, with the option of two further one-year extensions. This is due to the national based service specifications and creating stability within these services models.
13. Recognising the uncertainty of future funding, in particular the uncertainty over the Public Health budget allocation from central government beyond the second year, the Invitation to Tender made it clear that the price agreed for the contract is subject to the ongoing availability of sufficient funding and that in the event that during the contract period the Local Authority does not have sufficient funds to cover the price of the contract the Contractor will develop and agree a contract variation with the Commissioner such that the contract price remains within the funding available.
14. Bids will be evaluated according to a number of standard criteria, cost, quality measures and an interview. The Standard Criteria will produce a Pass or Fail assessment, with only those passing being fully assessed. In the full assessment cost will account for 30%, quality will account for 60% and the Interview will account for 10% of the overall score. Only those bidders within 10% of the leading bidder following the cost and quality assessment will be taken forward to interview.
15. The Standard Criteria and Quality Measures will include:
 - Standard criteria:
 - Past experience / evidence of technical experience
 - Financial viability
 - Appropriate Insurance
 - Equality submission
 - Health and safety performance
 - Evidence of professional conduct
 - Quality measures:
 - Nature of service model/service configuration proposed
 - Engagement of service users with service/treatment
 - Service user involvement in service design, delivery and performance monitoring
 - Clinical and information governance
 - Engagement/integration with local agencies/stakeholders
 - Service governance and leadership
 - Planning & performance management
 - Forecasted levels of service activity and outputs
 - Added Social Value
 - Implementation plans
16. The evaluation will be conducted by officers from: Commissioning, Public Health, Finance, Clinical Commissioning Group's, Clinical leads, pharmacist and education leads. A service user will also be involved in the interview process. Support and moderation will be undertaken by officers in Corporate Procurement. The officers involved will score each section against agreed criteria, with scores then being added into the overall bid scoring.

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Agenda Item 17

Report to: Cabinet

Date of Meeting: 12 September 2013

Subject: Local Solutions – Change in Council’s Appointed Representative

Report of: Director of Corporate Services

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

To seek approval to the proposed change in the Council’s representation on Local Solutions for the remainder of the 2013/14 Municipal Year.

Recommendation

That Councillor Roche be appointed as the Council’s representative on Local Solutions for the remainder of the 2013/14 Municipal Year in place of Councillor Gustafson.

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:

The Cabinet has delegated powers to approve the Council’s representatives to serve on Outside Bodies.

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What will it cost and how will it be financed?

(A) **Revenue Costs** None.

(B) **Capital Costs** None.

Implications:

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

Legal Cabinet has the authority to appoint representatives to outside bodies where the appointment is a Cabinet function or has been delegated by the Council	
Human Resources	
Equality	
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:

To enable the Council to have representation on the Consultative Committee

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has no comments on this report because the contents of the report have no financial implications. (FD2423)

The Head of Corporate Legal Services (LD1738) has been consulted and has no comments on the report

Are there any other options available for consideration?

No

Implementation Date for the Decision

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

Contact Officer: Steve Pearce
Tel: 0151 934 2046
Email: steve.pearce@sefton.gov.uk

Background Papers:

None

1. Introduction/Background

1.1 At its meeting held on 23 May 2013, the Cabinet considered a report of the Director of Corporate Services seeking the appointment of representatives on Outside Bodies. The Cabinet approved the appointment of various representatives, including that of Councillor Gustafson to serve on Local Solutions.

1.2 Local Solutions is a Merseyside based Social Enterprise which delivers services to people primarily across the North West of England and North Wales. Established in 1974, it has a proven track record of improving the quality of life for vulnerable and excluded people. This is achieved through the following programmes:

- Anti-bullying support service
- Domestic violence support service
- Carers support
- Mental health support
- Training programmes
- Home insulation
- Fuel Debt Advice Service
- Homecare
- Money Advice Service
- Early Years provision
- Supporting young homeless people
- Outdoor pursuits
- Conference facilities
- Care Training
- Shopmobility service
- Welfare Rights service
- Watersports Centre

Meetings are held six times a year, very two months.

1.3 It is recommended that Councillor Roche be appointed as the Council's representative on Local Solutions for the remainder of the current Municipal Year in place of Councillor Gustafson.

1.4 Both Councillors Gustafson and Roche have been consulted on this matter and are happy with the proposed change.

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