

REPORT TO: Cabinet
Council
Cabinet Member – Environment

DATE: 27th January 2011
27th January 2011
9th February 2011

SUBJECT: REECH (Renewable Energy and Energy Efficiency in Community Housing) Project

WARDS AFFECTED: Linacre, Derby, Litherland, Netherpton & Orrell, Church,

REPORT OF: Andy Wallis – Planning and Economic Development Director
Alan Lunt – Neighbourhood & Investment Programmes Director

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EXEMPT/ CONFIDENTIAL: No

PURPOSE/SUMMARY:

This is a supplementary note to the report previously circulated and included on the agenda for this meeting, which sets out amendments to the previous recommendations, provides an update on the grant offer from the NWDA and sets out the consequential budgetary position.

REASON WHY DECISION REQUIRED:

Cabinet approval is required for Sefton Council to accept the REECH Project Offer letter.

RECOMMENDATION(S):

1. Members note that the REECH Project was approved by the North West Development Agency on 16th December 2010.
2. Cabinet Members for Environment note the content of the report and request further progress reports.
3. That subject to the agreement of arrangements for future delivery of Economic Development, referred to in the report on the "Transformation Programme and Further Options included on the agenda for this meeting, **Cabinet:** -
 - (a) *when received*, accept the Offer Letter from the North West Development Agency in relation to the REECH Project, and approve a start date of 1st January 2011.
 - (b) request the Council to give approval to the inclusion of the REECH Project in the Capital Programme as set out in Annex A in the sum of £7,170,624 to be fully funded from ERDF grant, and
 - (c) agree the Revenue budget for the project as set out in Annex A which requires that the Council provides revenue match funding *from existing resources* amounting to £413,862 over 3 calendar years.

4. **Council** be requested to give approval to the inclusion of the REECH Project in the Capital Programme as set out in Annex A in the sum of £7,170,624 to be fully funded from ERDF grant.

FORWARD PLAN: Yes – Published on 12th May 2010

IMPLEMENTATION DATE: After the call in period

ALTERNATIVE OPTIONS:

Not to accept the Offer letter from the Regional Development Agency would mean that both Sefton and the rest of the sub-region would lose the opportunity to progress both the climate change, and the low carbon economy agenda, particularly during this financially constrained period.

IMPLICATIONS:

Budget/Policy Framework:

Financial:

The Council is required to provide revenue match funding of £413,862 over 3 calendar years. This is to be provided from existing resources.

The implications for Capital remain as outlined in the principal report but are rehearsed below for information.

<u>CAPITAL EXPENDITURE</u>	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure		3,515,888	3,570,480	84,256
Funded by:				
Sefton Capital Resources				
Specific Capital Resources(ERDF)		3,515,888	3,570,480	84,256
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	55,231	198,136	195,110	165,385
Funded by:				
Sefton funded Resources				
External Resources (ERDF)	55,231	198,136	195,110	165,385
Does the External Funding have an expiry date? Yes	31/12/13			
How will the service be funded post expiry?	Project ceases on 31/12/13			

Legal: N/A

Risk Assessment: Council has already accepted that in taking on responsibility as the Accountable Body for this scheme, the Council would

potentially be liable if specific conditions are not met in the spending of this grant.

Asset Management:

N/A

CONSULTATION UNDERTAKEN/VIEWS

FD603 – The Interim Head of Corporate Finance & IS has been consulted and his comments have been incorporated into this report.

CORPORATE OBJECTIVE MONITORING:

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

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

Report to Cabinet dated 10th June 2010 entitled 'REECH (Renewable Energy and Energy Efficiency in Community Housing) Programme'

1. Supplementary information.

The REECH project was approved by the North West Development Agency last month but at the time of writing the formal Offer Letter has not been issued. Officers have discussed the content of the offer letter which is now in preparation and can confirm that this is to be in accordance with the terms and conditions standard for ERDF funding.

Members are also asked to note that revenue match from Sefton of £413,862, as proposed within the report, is to be spread equally over the three year period of the programme on an in kind basis from the resources available to the Economic Development (ED) Department and is to be contained within the financial plans drawn up for the ED Review.

In kind contributions in the form of staff costs have also been confirmed in writing from partners in the sum of £200,000.

The additional benefits which Sefton accrues as Lead for this programme include enhancement of local supply chains, development of local expertise and enhanced revenue income to offset existing staff costs.