

Report to: Cabinet
Council

Date of Meeting: 24th May 2012
5th July 2012

Subject: Capital Programme and Capital Allocations 2012/13

Report of: Strategic Director – Place
Head of Corporate Finance and ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential

No

Purpose/Summary

This report is intended to provide an update on the development of a single capital pot bidding process and make recommendations for the acceptance of an interim Capital New Starts Programme for 2012/13.

Recommendation(s)

Cabinet is recommended to:

- (i) Note the confirmation of Disabled Facilities Grant capital allocation for 2012/13;
- (ii) Recommend to Council
 - a) the utilisation of the full 2012/13 Transportation Capital allocation to meet existing capital new start proposals;
 - b) the utilisation of the full 2012/13 Disabled Facilities Grant capital allocation to meet the cost of statutory disabled grant awards;
 - c) the interim allocation of £2,661,750 as a Children's Services 2012/13 capital new starts programme in order to progress urgent and time constrained projects identified;
- (iii) Note that a further report will be presented later in the year, regarding Adult Social Care schemes to be included in the Capital Programme.

Council is recommended to approve:

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

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:

To inform Members of the 2012/13 Capital Allocations received to date and to allow Members to consider how these allocations may be utilised.

What will it cost and how will it be financed?

(A) Revenue Costs

For any additional capital expenditure a full evaluation of the revenue implications will need to be undertaken.

(B) Capital Costs

All allocations included in this report are capital grants

Implications:

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

Legal	None
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:

The implications of all projects will be considered and addressed during the individual scheme development process and there will therefore be no significant impact upon service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1478) and Head of Corporate Legal Services (LD 832/12) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

The options available to Members for the use of non ring-fenced capital grant allocations are included in the body of the report.

Implementation Date for the Decision

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

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Background Papers:

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

www.education.gov.uk/schools/adminandfinance/schoolscapital

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

Letter from Department for Health: Adults' Personal Social Services: Specific Revenue Grants and Capital Grant Allocations for 2012/13 – 8 December 2011.

Email from Merseytravel 10 January 2012.

www.communities.gov.uk/statements/corporate/2068667

1. INTRODUCTION / BACKGROUND

- 1.1 Cabinet, at its meeting on 16th February 2012, considered the report of the Head of Corporate Finance and ICT which provided details of the Government Capital Allocations received for 2012/13
- 1.2 Cabinet was requested to consider the use of non ring-fenced resource allocations in the development of a new starts programme for 2012/13.
- 1.3 The non ring-fenced allocations are summarised below. Please note that the allocation for Disabled Facilities Grants has now been confirmed at £1,576,000, the same allocation as that received in 2011/12.

Description of Allocation	Allocation £'000
Children's Services – Basic Need	781
Children's Services – Capital Maintenance	2,417
Total Children's Services	3,198
Disabled Facilities Grant	1,576
Total Housing	1,576
Department of Health Capital Grant	811
Total Social Services	811
Highways Maintenance	2536
Integrated Transport Block (indicative)	1003
Total Transportation	3,539
Total non Ring-fenced Allocations	9,124

- 1.4 In respect of the non ring-fenced resources Cabinet resolved:

...the proposal for all 2012/13 capital allocations to be pooled and subject to a bidding process be accepted in principle and a further report on this issue be submitted to a future meeting of the Cabinet; and

... that further to the above the Strategic Asset Management Group be requested to consider a detailed strategy for the 2012/13 Capital Programme and submit its proposals to a future meeting the Cabinet.

- 1.5 This report is intended to provide an update on the development of a single capital pot bidding process and make recommendations for the acceptance of an interim Capital New Starts Programme for 2012/13.

2.0 Single Capital Pot / Bidding Proposals

- 2.1 The single capital pot bidding process will provide a mechanism by which the benefits of funding for each proposed project, and the implications of not funding each, can be fully and fairly evaluated and the proposals ranked in relation to the Councils agreed priorities.
- 2.2 The mechanism for appraisal of “bids” to the single capital pot has to be robust and comprehensive to allow the evaluation and comparison of proposals which may differ significantly from each other in terms of scope and the impact on Council priorities.
- 2.3 In order to develop an effective appraisal methodology significant efforts are currently being made to identify systems already employed successfully by other local authorities, and the advantages and disadvantages of these systems. By undertaking this research it is hoped that future capital programme allocations in Sefton will be able to clearly demonstrate their value and links to corporate priorities.
- 2.4 A further report detailing the outcome of this research and outlining a suggested appraisal methodology is currently scheduled to be presented to Cabinet in June with the objective of having the appraisal methodology fully embedded for the 2013/14 financial year.

3.0 Capital Programme New Starts Programme 2012/13

- 3.1 In the meanwhile however, as this process is developed, it is necessary to consider the immediate funding requirements which will ensure that ongoing work requirements are met and delivery timescales achieved.
- 3.1 Although it has not been possible to follow a formal single capital pot bidding process it is apparent that certain capital allocations should be confirmed for utilisation by the appropriate service receiving the allocation. It is also clear that because other works are urgent, and / or have been planned for, other allocations should be similarly confirmed; at least in part.

Transportation

- 3.4 In the case of Transportation allocations, these are controlled by the local Integrated Transport Authority (ITA) i.e. Merseytravel and the implication is that if allocations are not used for transport related schemes the ITA would withhold grant. This would place the Council at risk of having a shortfall of capital resources.
- 3.5 It is therefore proposed that the allocation of £3,539,000 be confirmed as being available in full for the implementation of existing Transportation work proposals.

Disabled Facilities Grant

- 3.6 The Disabled Facilities Grant has now been confirmed in the sum of £1,576,000. The Council has a statutory obligation to consider all applications for grants

submitted and, if appropriate, approve the grant award within 6 months of the grant application.

- 3.7 The level of grant applications made in 2012/13 is assessed as likely to be in the region of £2,600,000. It is therefore apparent that there will be no benefit gained by utilising the Disabled Facilities Grant for any other purpose, indeed consideration will ultimately have to be given to how the apparent funding shortfall may be funded.

Children's Services

- 3.8 Children's Services have identified a programme of works costing £5,600,000 which they would ideally look to undertake in 2012/13.
- 3.9 The works have been prioritised to identify what works should be undertaken in the event that the £3,198,000 non ring-fenced allocation was confirmed for utilisation on Children's Services projects. A schedule of identified Children's Services projects is attached as Annexe A to this report.
- 3.10 Notwithstanding the prioritisation of the works it is also necessary to consider their timing, as works must be programmed in order to take advantage of school holiday periods and in order to ensure that new term start completion dates are achieved.
- 3.11 Those projects requiring immediate approval in order to meet an urgent requirement and/or inflexible timing requirements are identified within the schedule in annexe A. The total cost of these projects is £2,661,750.
- 3.12 Members are requested to give consideration to approving funding totalling £2,661,750. as an interim allocation for Children's Services Capital New Starts Programme 2012/13.

Adult Social Care

- 3.13 In 2012-13 the DoH has provided additional investment to Local Authorities to support Personal Social Care Services and the continued support of the on-going personalisation agenda for Adult Social Care. This funding will enable continued investment to support delivery of adult social care services and for developing community capacity. The priority areas for investment are:
- Innovative alternatives to residential care - supported housing and living and Extra Care Housing
 - More coordinated 'hub and spoke' approaches to deliver care into communities
 - Better design to support people with dementia
 - Services or housing remodelled / refurbished
 - Alternatives to residential care via community based services investment
 - Provision of equipment and minor adaptations
 - Full use of Telecare in a continued support package
 - Preventing people's needs from escalating - delaying need for intensive care packages
 - Supporting timely discharge from hospitals

- Enabling people to remain in their own homes for as long as possible, efficiently and demonstrating choice and independence
- Service redesign to the care infrastructure
 - Support the planning, commissioning and delivery of personalised care services, with a stronger emphasis on the integration of services across health, social care and beyond
 - Expectation that people should have access to information to help them make lifestyle choices as well as service choices
 - Greater collaboration with local partners - in support of identifying those most at risk of requiring greater care and support for targeted early intervention

3.14 The continued increase in the elderly population in Sefton has placed extra demands and commitments on Adult Social Care Services. The Directorate is already engaged in a strategic review of current Social Care Commitments and exploring alternative methods of providing adult social care services to clients. This will also support the redesign of services required to help support the Council's Budget exercise over the next two years.

3.15 A further report will be provided later in the year seeking approval to spend the £0.811m investment from the DoH to the Local Authority to support Personal Social Care Services and the continued support of the on-going personalisation agenda for Adult Social Care.