

Report to: Cabinet
Council

Date of Meeting: 7 November 2013
21 November 2013

Subject: Capital Allocations 2013/14

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To provide Members with details of the latest capital projects that have been recommended for inclusion within the Capital Investment Plan for 2013/14 by the Strategic Capital Investment Group (SCIG). Also to seek approval from Council for Cabinet to be given delegated authority to approve self financing schemes for inclusion in the Capital Investment Plan.

Recommendation(s)

Cabinet :

- i) Recommends that Council approve the proposed capital schemes, detailed in Paragraphs 2 to 5 of this report in the Capital Investment Plan.
- ii) Notes the scheme in paragraph 7 to be funded from Adult Social Care Transformation resources;
- iii) Recommends delegated authority be given to the Director of Street Scene to procure refuse containers as in paragraph 3.2; and
- iv) Recommends that Council give delegated authority to Cabinet to approve self financing capital schemes in the Capital Investment Plan as outlined in paragraph 9.

Council :

- i) Approves the inclusion of the schemes detailed in paragraphs 2 to 6 of the report, within the Capital Investment Plan for 2013/14; and
- ii) Approves the delegated authority to allow Cabinet to approve self financing schemes for inclusion in the Capital Investment Plan as detailed in paragraph 9.

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 inform Members of the recommendations of the Strategic Capital Investment Group and to allow Members to consider if these should be recommended to Council for inclusion within the Capital Investment Plan.

What will it cost and how will it be financed?

(A) Revenue Costs

(i) The revenue savings from the implementation of the LED scheme will be used to finance the revenue costs of the scheme. Once these have been fully recovered, it will result in an annual saving of £44k.

(ii) The revenue costs of the wheeled bin expansion will be met from the additional budgeted provision within the 2014/15 financial year approved by Cabinet on 12 September 2012.

(iii) The additional revenue consequences of the Atkinson Centre scheme will be contained within the grant funding provided for the first three years. Thereafter, the budget will revert to the current level.

(iv) There are no revenue implications of the Adult Social Care scheme.

(B) Capital Costs

Schemes will funded from the single capital pot by capital grant and by Prudential Borrowing, whilst the Recycling Reserve Account will be utilised to fund the borrowing cost of the additional wheeled bin containers for a two year period.

Implications:

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

Legal Devolved Formula Capital grant funding is ring-fenced and can only be used for its intended purpose
Human Resources With regard to the Atkinson Centre scheme, the revenue costs of the staff will be met from HLF grant for three years. It is not envisaged that these posts will continue after the three year funding period. However, any individual in post will be dealt with in accordance with recognised personnel procedures. This will involve the consideration of alternative employment to avoid job losses.
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 additional capital expenditure highlighted in the report will enable more cost effective services to be provided. In addition, the other capital schemes will result in an improved service for residents and for pupils of the Presfield High School within the Borough.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD2626/13) and Head of Corporate Legal Services (LD1931/13) 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

After the Council meeting

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Background Papers:.

None

1. Introduction

- 1.1 Cabinet and Council on 18 July 2013 and 5 September 2013 approved the latest schemes to be funded from the Single Capital Pot in 2013/13. This left £0.858 of Single Capital Pot (SCP) resources still unallocated. This report identifies further schemes which can be financed from the SCP and from Prudential Borrowing.

2 Single Capital Pot Schemes for Further Consideration

- 2.1 The Strategic Capital Investment Group met on 16 September 2013 to consider further schemes for approval and recommended that the scheme detailed in paragraph 2.2 be put forward to Cabinet and Council for inclusion within the Capital Investment Plan.
- 2.2 The scheme identified for inclusion totals £139,000 for the installation of energy saving devices and systems within all of the Council's leisure centres to reduce the energy costs, CO2 emissions and carbon footprint. The scheme is an Invest to save project that will realise on-going revenue savings of £44k per annum. Specifically it involves the fitting of LED lighting and lighting controls to all leisure centres, the upgrading of building management systems so that breakdowns can be repaired via remote access, removing the need for expensive on site visits and a pool cover at Meadows leisure centre.
- 2.3 As a consequence of the above the amount unallocated from the Single Capital Pot is now £0.719m.
- 2.4 Should there be an underspend on any scheme, these resources will be returned to the Single Capital Pot. Conversely, any overspend on schemes will not automatically illicit any additional funding and the schemes on the list with the least priority within the bid will not be carried out.

3 Refuse & Recycling Collection Service

- 3.1 In order to deliver the amended Refuse and Recycling service, as reported to and agreed by Cabinet at the meeting on 12th September 2013 it is necessary to procure sufficient (approximately 100,000) additional wheeled-bin containers to facilitate the collection of plastic and cardboard as part of the revised alternating weekly collection service. It is intended to make use of an existing European procurement rules compliant framework contract to procure these bins and to conduct a mini-tender exercise to obtain the best price. The revenue implications of the capital expenditure will be paid back via the existing recycling revenue budget during the interim two-year period with longer term repayment arrangements incorporated into a future report on the ongoing operation of these services post 2016.
- 3.2 The estimated cost to be paid by the Council for the replacement wheeled bins will be in the order of £2m, however actual prices will not be known until the return of tenders. The potential revenue cost of financing is estimated at c. £140 - £150k per annum as considered by Cabinet on 12 September 2013, which is to be funded from the Recycling Reserve Account for a two year period. Cabinet are requested to approve the additional capital expenditure to finance these containers and to delegate authority to the Director of Street Scene to procure sufficient containers of a suitable quality at the most competitive price to facilitate the introduction of this service from April 2014 onwards.

4 Atkinson Museum development

- 4.1 As part of the final phase of development and refurbishment of The Atkinson, Lord Street, Southport, a successful bid has been made to Heritage Lottery Fund for £923,500 to undertake the following work
- Fit out three museum spaces on the second floor of the Atkinson Centre, displaying Sefton's Egyptology and local history collections. Also satellite displays throughout the Centre
 - Improved collections management through efficient storage and security at the Centre and bringing the collection into better conditions through conservation of some key items for display
 - Employ a lifelong Learning Officer for 3 years to deliver a comprehensive learning programme targeting older people, families and young people, including schools
 - Appointment of Volunteer and Skills Development Officer for 3 years to develop and train volunteers.
- 4.2 The Atkinson Museum Project will enable Sefton Council to complete the redevelopment of The Atkinson venue in Southport and provide the Borough's museum collections with brand new purpose built display spaces and a permanent home.
- 4.3 The project has been designed as a key component of the extensive regeneration of the town centre by attracting cultural tourists and to provide opportunities for enjoyment, learning and social interaction whilst fostering a sense of place and pride for all Sefton residents and for those who work and visit the area.
- 4.4 The project brings together for the first time the museum and gallery collections and will enable the museum and gallery staff to illustrate the unique and diverse heritage of the Borough, ranging from the Bootle Docks in the south, along the coast to the seaside resort of Southport in the north. We will also be able to display the Borough's fascinating and internationally important Egyptology collection for the first time in forty years.
- 4.5 The main museum spaces will be on the second floor of The Atkinson, but the collections will be displayed throughout the venue and will also feature in the art gallery spaces through a joint temporary exhibition programme. A museum store has already been fitted out on site, all of which means that the museum's collections will be more accessible than they have ever been before. The high standard of the spaces will allow The Atkinson to loan objects from national museum and art collections to enhance the displays and services.
- 4.6 The project will be funded by £923,500 of Heritage Lottery Funding, with £50,000 of Sefton capital which has previously been approved in the Capital Investment Plan.

5. Presfield High School & Specialist College; Refurbishment to Provide Additional Class Bases

- 5.1 Sefton MBC has successfully bid for a Demographic Growth Capital Fund allocation for 2013-15 of £170,784. This is to support the needs of Presfield High School & Specialist College by converting the hydrotherapy pool area into class bases. In 2010, Presfield High School & Specialist College changed designation from a school for students who primarily had moderate learning difficulties (MLD) to a school for students whose primary need is autism, many of whom also have moderate learning difficulties. At the time, it was estimated that around 8 students per year would be placed at the school, but since 2011 the numbers of students identified for places at the school has been increasing. In September 2011, 10 students were placed at the school and other pupils with similar needs were placed at specialist provision outside the borough. In 2012, the school created two Y7 classes with 9 students in each, 4 of whom were resident in Lancashire. The planned admissions for September 2013 are following a similar pattern and it is therefore anticipated that from 2014 onwards the numbers in the sixth form will increase proportionately. This project is to provide additional accommodation for the projected increase in numbers. This will allow the most vulnerable older students to remain within

the school and not be moved due to lack of capacity.

- 5.2 The project will provide purpose-built sixth form accommodation within the main school building to relocate the provision from the existing mobile classroom and increase capacity. The school currently has an under-used swimming pool, which is considered surplus to the requirements of the school as there are now other facilities in the local area. The funding provided by the bid will be used to convert the swimming pool and associated changing rooms to provide two teaching bases, an ICT suite, small group withdrawal areas and a small kitchenette for the development of life and social skills. This will provide more flexible teaching accommodation than the existing facilities and will increase the school's capacity to support students' study skills and self-organisational skills as they complete college assignments. Locating the sixth form within the main school building will enable easier access to and from provision for both staff and students and will also facilitate a smooth transition for key stage 4 students wishing to access post 16 provision.
- 5.3 The proposed scheme is to be included in the Children's Services Capital Programme at a cost of £200,784. Approval was given by SCIG and SLT in May 2013, to submit a bid for Capital funding from the DfE's 16-19 Demographic Growth Fund towards the Presfield scheme, and this was successful, with an award of £170,784. The balance of funding required to complete the scheme (£30,000), will be met from existing resources within Targeted Capital Funding 14-19 SEN already included in the Capital Programme. No additional capital resources are required. Any revenue implications arising from the project will be the responsibility of the school, to be met from DSG school budgets.

6. REECH Capital Scheme

- 6.1 Cabinet on 10th October 2013 recommended that Council approve the increase in the REECH expenditure of £5m (£3.8m capital and £1.2m revenue) offset by £5m of income. This item has been repeated in this report for ease of seeking Council approval for the scheme.

7 Transformation of Adult Social Care

- 7.1 An amount of £807,910 of capital grant that was allocated to the Authority in 2012/13 by the Department of Health was retained by Cabinet and Council in February 2013 to support the transformation of Adult Social Services, including service remodelling and systems development and that details would be submitted following the approval of the 2 year financial plan. This grant is separate from the Single Capital Pot grant mentioned above.
- 7.2 As part of this transformation, the following scheme is now to be funded from this capital grant. The reconfiguration of the Social Work teams has been completed and the next stage requires the teams to work seamlessly in delivering all aspects of social care which will necessitate the various teams being co-located within the same accommodation. It is proposed to co-locate the South Area team to within the Council owned premises of St. Peter's House in Bootle. Children's Social Care together with the MASH (Multi Agency Safeguarding Hub) currently operate out of St Peter's House and it would be operationally expedient to have both of the Social Care services presenting one "front door" to customers. Officers are continuing to work on a solution to the accommodation issues in the north of the borough, and further information will be brought to Cabinet in due course. The costs of the works required to St Peter's House to bring it into a useable condition are £41k and the balance of £767k will be committed once the outcome of the draft care and support bill is known.

8 Single Capital Pot 2014/15

- 8.1 The Strategic Capital Investment Group on 16 September 2013 considered the process for approving schemes from the 2014/15 Single Capital Pot, once they are all fully notified to the Authority, and have requested that any potential bids be submitted to SCIG so that they can be assessed. These bids have now been considered by the Directors' panel and will be further considered by SCIG on 12th December 2013.
- 8.2 A report will be submitted to Cabinet and Council in the new year recommending schemes to be approved from the 2014/15 Single Capital Pot once the bids have been assessed by this meeting of SCIG.

9 Self Financing Capital Schemes

- 9.1 Funding for capital investment can become available to the Council during the year from non central government grants, such as EDRF, REECH Project, Business Support Grants, Big Lottery funding and monies obtained via section 106 Town and Country Planning Act 1990 and section 278 Highways Act 1980. This type of capital funding and investment is scheme and criteria specific and whilst it falls within the umbrella of the Capital Strategy, it is not available within the single capital pot prioritisation process. For example s 106 monies are determined by the Council's Planning Committee, and can only be used in accordance with the Planning consent.
- 9.2 As a means of simplifying the approval of schemes to be included in the Capital Investment Plan, that are fully funded (i.e. no requirement from the Single Capital Pot) an amended process is recommended. In such cases the need for Council approval is considered unnecessary once fully self financed schemes have been approved by the Strategic Capital Investment Group. As such, an amendment to the Constitution is recommended, whereby Council delegate authority to Cabinet to approve the inclusion of such schemes within the Capital Investment Plan as they arise during the year.