
Report to: Cabinet **Date of Meeting:** 16 January 2014

Subject: Capital Approval for Self Financing Schemes

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 2013/14 self financing schemes for approval.

Recommendation(s)

Cabinet is recommended to:

- i) Approve the Self Financing schemes identified in paragraph 2 in the Capital Investment Plan, subject to the relevant funding approvals being received, and;
- ii) Agree that subject to projects being 100% externally funded, and there being no uncontrollable financial or legal risks, Sefton Council be the Accountable Body for:-
 - a) Green Deal for Communities bid as outlined in paragraph 2.4 of this report,
 - b) REECH into SMEs as outlined in paragraph 2.5 of this report,
 - c) Low Carbon/REECH type activity under the next European Programme 2014-2020 as outlined in paragraph 2.6 of this report.

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 request Cabinet to approve Self Financed schemes in the Capital Investment Plan following their consideration by the Strategic Capital Investment Group

What will it cost and how will it be financed?

(A) Revenue Costs

There are no net additional revenue costs arising from these capital schemes. Should the REECH Green Deal Project be approved, it will have a revenue element within it (c. £0.3m). This will however be financed from grant income as part of the project.

(B) Capital Costs

All capital costs will be met from capital grants received from the funding bodies.

Implications:

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

Legal	
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:

The additional capital expenditure highlighted in the report will enable more cost effective services to be provided.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT is the author of the report (FD2739/13)

Head of Corporate Legal Services (LD2045) 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 are to not approve the schemes which will then not be undertaken.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the minutes of the Cabinet.

Contact Officer: Jeff Kenah

Tel: 0151 934 4104

Email: Jeff.kenah@sefton.gov.uk

Background Papers:

None.

1. Introduction/Background

- 1.1 This report gives details of the Self Financing Schemes that have been considered by the Strategic Capital Investment Group (SCIG) on 12th December 2013 and are now being presented to Cabinet to request that they be approved for inclusion in the Capital Investment Plan.

2. Self Financing Schemes

- 2.1 The schemes outlined in the paragraphs below have capital resources available to fund them and therefore do not require any support from the Single Capital Pot. They were all considered by SCIG and are now being put forward for approval by Cabinet in the Capital Investment Plan. Members will recall that Council on 21 November 2013 gave delegated authority to Cabinet to approve self financing schemes.
- 2.2 **Senate Business Park £600,000** – the Senate Business Park is an employment site created from allotments in 2000 supported by funding from the North West Development Agency which allowed buy back of the site for the original sum in the event of a default event. These defaults have now occurred i.e. the development did not proceed as planned, and the Council wish to consider exercising the right to repurchase. The Homes and Community Agency (HCA) recognise the benefit of the whole of the site being in one single ownership and have offered financial support by way of £600,000 grant to support the Council to repurchase the site. The Council are now in the process of preparing to tender for a preferred developer of the whole site. It should be noted that that in the event the Council disposes of the site at some future date, the capital receipt would be used to repay the HCA.
- 2.3 **Extension to the Secondary Pupil Referral Unit £271,270** - The proposal is to build an extension to the rear of the existing School at the Daleacre site. This would provide a purpose built Life Skills room whilst also providing a new Staffroom of an adequate size, allowing for a teacher planning area. The existing Staffroom will be refurbished to provide a discrete medical/consultation room within the School. The external play area is continually covered in smashed bottles, denying the pupils access until all of the playground is swept and checked. A large part of the external play area is to be covered over; this will protect the playground from the vandalism it receives from the tow-path of the canal. This will allow the pupils to have access to the playground at all times. As part of the Life Skills room, there are two areas that require refurbishment and relocation, Construction and Hair & Beauty facilities. The scheme is to be funded from unallocated Targeted Capital Funding grant.
- 2.4 **REECH Green Deal for Communities Project 2014-2020 £3.3m** – The Department for Energy and Climate Change (DECC) have announced a £80m competitive scheme for Local Authorities to promote Green Deal. A detailed proposal is currently being prepared by Merseyside districts, including Sefton, and is likely to cost £3.6m, being £3.3m capital and £0.3m revenue. This is subject to change during the final submissions. Due to our on-going successful delivery of the existing REECH project, Sefton has been requested by the other districts to be the Accountable Body and to oversee the delivery of the Green Deal for Communities Project. The scheme will be fully funded by DECC grant which will be paid in advance to the Accountable Body and if the project does not get

delivered, due to lack of take up by targeted residents, the unspent grant will be returned. The inclusion of the scheme in the Capital Investment Plan will be subject to grant funding being approved by DECC.

Cabinet are therefore being requested to agree in principal to Sefton Council being the Accountable Body for the Green Deal for Communities Project subject to a further report being presented on the detail of the various components contained within the proposal.

- 2.5 **REECH into SME's £1,580,000** – the Liverpool City Region Local Enterprise Partnership has asked Local Authorities to put schemes forward for funding from the Local Growth Fund. Any project has to be deliverable across the Liverpool City Region and be capable of transforming the region and also fit in with Liverpool City Region's Growth Plan Strategic Themes and deliver the next European Programme's key strands. The REECH in to SME's proposal was formally submitted and if successful will be managed by the Low Carbon / REECH Team with the REECH Steering Group overseeing the delivery. The inclusion of the scheme in the Capital Investment Plan will be subject to grant funding being approved by the Liverpool City Region Local Enterprise Partnership.

Cabinet are being requested to agree in principle to Sefton Council being the Accountable Body should the bid be successful.

2.6 **Next European Programme 2014 -2020**

The Cabinet Member for Regeneration and Tourism at his meeting on 22nd November 2013 considered a report entitled "The Next European Programme 2014-20". The report set out what will be key components to grow our businesses and support more people into jobs over the next seven years. With EU funding allocation of some £190 million, the Programme builds on our significant assets and offer the opportunity to reverse some of the long term under-performance and address social inequality.

In the context of the REECH related activity already being delivered, the new European Programme will include the following principle areas of activity for action in the new Programme:-

- Develop programmes to improve the energy performance of building stock through design and upgrading
- Support for knowledge and skills development to enable local people to take employment opportunities in the low carbon sector
- Development of 'whole place' low carbon solutions including decentralised energy and heat networks and smart energy and transport systems
- Provide tailored support and appropriate infrastructure for the development of strong low carbon supply chains

The delivery of the REECH Project and its positive economic and social impact has been widely recognised both sub-regionally and nationally. The successful delivery of the project has been acknowledged by the Department for Communities and Local Government (DCLG) that manage the European Programme and LCR LEP with additional funding taking the total project cost to £19,702,902.

Members will also be pleased to learn that in December 2013, the REECH Project was awarded the Department for Energy and Climate Change (DECC) sponsored national retrofit award for the team/organisation that has made the greatest contribution to low carbon retrofit over time. This is a significant achievement for Sefton, and again recognises the successful working arrangements for the delivery of the REECH Project, and the contribution it is making across the LCR in the low carbon sector.

In order to continue the REECH/Low Carbon related activity under the new European Programme, which starts in January 2014, Members are requested to agree in principle to Sefton being the accountable body subject to there being no uncontrollable financial or legal risks, and all activity is 100% externally funded.