

To: Executive Board

**Councillors:**

T O'Neill (Chair), M Hannon (Deputy Chair),  
R Bowden, P Carey, L Dirir, C Froggatt,  
K Hannon, D Keane, H Patel, P Wright

Diana Terris  
Chief Executive

Town Hall  
Sankey Street  
Warrington  
WA1 1UH

8 July 2011

**Executive Board**  
**Monday, 18 July 2011 at 6.30pm**  
**Council Chamber**

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Contact: Christine Oliver, Democratic and Member Services (Tel: 01925 442104; Email: [coliver@warrington.gov.uk](mailto:coliver@warrington.gov.uk))

**AGENDA**

**Part 1**

Items during the consideration of which the meeting is expected to be open to members of the public (including the press) subject to any statutory right of exclusion.

**1. Code of Conduct – Declaration of Interests**

Members are reminded of their responsibility to declare any personal interest or prejudicial interest which they have in any item of business on the agenda no later than when the item is reached.

**2. Minutes**

**Page 1**

Minutes of the meeting of the Executive Board held on 20 June 2011.

**3. Forward Plan (To be Published 15 July 2011)**

**To follow**

Report of the Leader.

#### **4. Outside Bodies 2011-2012**

- (1) The terms of reference for the AGMA Improvement and Efficiency Commission state that the representative should be an Executive Board member with responsibility for either finance or transformation. The Executive Board is therefore requested to agree that Councillor R Bowden replace Councillor J Joyce as the Council's representative for 2011-12.
- (2) The Executive Board is requested to nominate a replacement for Councillor L Dirir on the Warrington Community Transport.

#### **5. Executive Board Task Groups**

The Executive Board is requested to confirm the member representation for the following two Executive Board Task Groups:

- (1) Events Task Group (7 members (4:2:1))  
Councillors: R Bowden (Chair), J Carter, A McCarthy, M McLaughlin, C Jordan, G Welborn, S Woodyatt.
- (2) International Partnerships Task Group (7 members (4:2:1))  
Councillors M Hannon, P Nelson, J Joyce, Labour nominee, D Earl, L Smith, K Bland (plus the Mayor as an ex officio member).

The terms of reference for the Events Task Group will be considered by the Executive Board at a future meeting.

#### **6. Delivery Methods for Children and Young People's Capital Projects (Forward Plan No: 063/10)**

**Page 9**

Report of the Executive Board Member, Children and Young People's Services.

#### **7. Solar Project Partnership with Golden Gates Housing Trust (Forward Plan No: 001/11)**

**Page 15**

Report of the Executive Board Member, Environment and Public Protection.

8. **Stock Transfer of New Build Bungalows** **Page 35**  
**(Forward Plan No: 002/11)**

Report of the Executive Board Member,  
Environment and Public Protection.

9. **Great Sankey Primary School – Replacement** **Page 39**  
**(Forward Plan No: 057/10)**

Report of the Executive Board Member, Children  
and Young People's Services.

## **Part 2**

Items of a "confidential or other special nature" during which it is likely that the meeting will not be open to the public and press as there would be a disclosure of exempt information as defined in Section 100I of the Local Government Act 1972.

10. **Great Sankey Primary School – Replacement** **Page 43**  
**(Forward Plan No: 057/10)**

Report of the Executive Board Member, Children  
and Young People's Services.

11. **Local Authority Mortgage Scheme** **Page 49**

Report of the Executive Board Member, Corporate  
Resources and Services.

***If you would like this information provided in another language or format, including large print, Braille, audio or British Sign Language, please call 01925 443322 or ask at the reception desk in Contact Warrington, Horsemarket Street, Warrington***

**EXECUTIVE BOARD – 20 JUNE 2011**

Present:

Executive Board Members

Councillors:

Leader  
Deputy Leader  
Corporate Assignments  
Corporate Resources and Services  
Highways, Transportation & Climate Change  
Children and Young People's Services  
Leisure, Community & Culture  
Environment & Public Protection  
Personnel & Communications  
Health & Wellbeing & Adult Services

T O'Neill  
M Hannon  
R Bowden  
P Carey  
L Dirir  
C Froggatt  
K Hannon  
D Keane  
H Patel  
P Wright

**EB 12 Apologies**

Nil.

**EB 13 Code of Conduct – Declarations of Interest**

Nil.

**EB 14 Minutes**

Decision – That the Minutes of the meeting of the Executive Board held on 24 May 2011 be received.

**EB 15 Forward Plan (published 15 June 2011)**

The Executive Board considered a report of the Leader, on the contents of the Forward Plan for the period 1 July 2011 to 31 October 2011.

Decision – That the Forward Plan be noted with the amendment of Forward Plan references 024/10 – Tender for provision of a Material Recovery Facility (MRF) to Councillor D Keane, Environment & Public Protection and 005/11 2011-2014 Children and Young People's Plan to Councillor C Froggatt, Children and Young People's Services.

**EB 16 Approval of the Proposed Review of Two Supported Housing Schemes, Presently Provided by Mental Outreach Service and Funded by Supporting People (Forward Plan No. 048/10)**

The Executive Board considered a report of Councillor P Wright, Executive Board Member, Health and Wellbeing and Adult Services that provided information on the outcome of a review of the Mental Health Outreach Service and sought approval for change proposals, in line with the Council's Medium Term Financial Plan (MTFP), regarding the supported accommodation

schemes and the Breeze in Group (BIG), which were currently provided as part of this service.

Decision – That the Executive Board endorsed the proposal to test the market to identify potential providers of the two supported accommodation schemes and the Breeze in Group, which were currently provided by the Mental Health Outreach Service.

Reasons for Decision:

- (1) The proposal supported the strategic direction of the Council and the underpinning principles of recovery and social inclusion for people who had mental health needs. The proposal also enabled Adult Social Care to achieve the savings outlined within the Council MTFP.
- (2) The aim of the redesign was to develop future-proofed services whereby the Council, in partnership with third sector organisations and other partners, could continue to provide high quality services that were preventative and empowering and could offer genuine alternatives to long term dependency on secondary mental health services.
- (3) The proposal aimed to develop local mental health services that delivered high quality and best value.

**EB 17 Transport Asset Management Plan 2011-14 (Forward Plan No. 052/10)**

The Executive Board considered a report of Councillor L Dirir, Executive Board Member, Highways, Transportation and Climate Change that sought approval of Warrington's first Transport Asset Management Plan (TAMP).

Decision – That the Executive Board agree to –

- (1) approve the content of the Transport Asset Management Plan for 2011 – 2014 (TAMP);
- (2) approve the TAMP Action Plan for delivery and ongoing development of the TAMP.

Reason for Decision:

Warrington Borough Council, as a Highway and Transport Authority had a statutory duty to maintain adopted transport assets. The approval of a Transport Asset Management Plan which was based on recognised good practice demonstrated that the Council was managing and maintaining its assets in a robust way in line with current best practice.

**EB 18 Performance and Finance Report Quarter 4 – 2010/11**

The Executive Board considered a report of the Chief Executive and the Assistant Chief Executive that provided an overview of the Council's performance and financial position for quarter 4 (January – March) 2010/11. This report aimed to update Members on the Council's improvement journey and set out progress made during the last quarter.

Decision – That the Executive Board agree to –

- (1) note the quarter 4 performance and financial position up to end of March 2011;
- (2) approve the funding of the £1.2 million overspend from the MTFP reserve. (This included the cost for BSF costs that had already been agreed in principle).
- (3) note that the relevant Executive Members would liaise with their Executive Directors to discuss specific performance and finance items.

Reasons for Decision:

1. To ensure that Executive Board Members were aware of the Council's quarter 4 financial and performance position up to 31 March 2011.
2. To ensure that Executive Board Members were aware of the progress being made against the priorities and planned improvements were in place to further develop.
3. Detailed examination of performance at all levels within the organisation was crucial to ensuring improvements. This also linked to the role of elected members in scrutinising performance.

**EB 19 Procurement of a Replacement Telephony System (Forward Plan No. 061/10)**

The Executive Board considered a report of Councillor H Patel, Executive Board Member, Personnel and Communications that sought to ensure a more flexible workforce, offer lower costs and replace out of date equipment.

Decision – That the Executive Board agreed to -

- (1) approve the capital investment in the new telephony system, the cost of which would be met from existing ICT capital funds (MTFP);
- (2) agree that work proceeds with the Corporate Procurement Team in issuing the Pre-Qualification Questionnaire (PQQ) and all following procurement actions
- (3) note that the results of the tender process would be reported back to the Executive Board for a decision.

Reason for Decision:

The recommendation would allow the procurement process to commence and the project planning to be undertaken that would underpin the implementation of the new telephony system.

**EB 20 Executive Board Task Groups**

The Executive Board considered a report of Councillor T O'Neill, Leader, which sought to establish a new Executive Board Task Group: the 'Events Executive Board Task Group'.

The report also sought approval to appoint members to vacant positions on the Councillor Development Forum Executive Board Task Group and re-establish the International Partnership Task Group, agreeing membership and Terms of Reference.

Decision – That the Executive Board agreed to -

- (1) establish the 'Events Executive Board Task Group';
- (2) approve the Membership of the Events Task Group on a 4:2:1 basis and that the inaugural meeting of this Group be asked to provide terms of reference to be agreed by the Executive Board;
- (3) formally ratify and appoint Councillors C Jordan and K Bland to the Councillor Development Forum to complete the membership of that Group;
- (4) re-establish the International Partnership Task Group based on seven Members with proportionality 4:2:1 (membership to include in addition the Mayor as ex officio member) (Membership based on paragraph 3.15 of the report);
- (5) note that appropriate induction and development training would be provided to all members on Task Groups as and when required;
- (6) an annual report be submitted to the Executive Board on the activities, actions and recommendations of all the Task Groups;
- (7) endorse any amendments necessary to the Constitution and forward these to Council for consideration.

Reason for Decision:

The Task Groups would assist the Executive Board in delivering its work programme to the highest quality and enhance the potential to achieve positive outcomes. The Task Groups would create an additional and regular scrutiny and accountability mechanism for and on behalf of the Executive Board and also a forum for considering and driving forward improvement strategies.

**EB 21 Outside Bodies 2011/12**

The Executive Board was requested to make an elected member appointment to the Mersey Gateway Environmental Trust in order to complete the Outside Bodies list agreed at its last meeting on 24 May 2011.

## Agenda Item 2

The Executive Board was also requested to re-confirm the member representation for the Warrington Borough Council Joint Consultative Committee - four elected members – Councillors M Hannon, H Patel, A McCarthy plus one opposition representative.

Decision – That the Executive Board agreed to –

- (1) appoint Councillor G Settle to the Mersey Gateway Environmental Trust; and
- (2) re-confirm the member representation for the Warrington Borough Council Joint Consultative Committee to be four elected members – Councillors M Hannon, H Patel, A McCarthy and K Reynolds.

Reason for Decision:

To confirm appointments to outside bodies and to take into account the political balance of the Authority.

### **EB 22 Award the Contract for the Supply of Support to Adults with Physical Disabilities (Forward Plan No. 053/10)**

(EB 27 refers)

### **EB 23 Office Accommodation – West Annexe**

The Executive Board was requested to determine the allocation of office accommodation to Political Groups.

Decision – The Executive Board agreed that –

- (1) Rooms 3, 4 and 5 be allocated to the Labour Group,
- (2) Rooms 6 and 7 to the Conservative Group,
- (3) Room 8 to be used as a meeting room for all 3 parties; and
- (4) Room 9 continue to be used by the Liberal Democrat Group.

Reason for Decision:

To finalise the arrangements for office accommodation for Municipal Year 2011-12.

Minimum cost and disruption and reflection of the size and role of the Labour Group.

### **EB 24 Bridge Street Regeneration Quarter – Update and Procurement of Development Partner (Forward Plan No. 050/10)**

(EB 26 refers)

**EB 25    Exclusion of the Public (including the Press)**

Decision - That members of the public (including the press) be excluded from the meeting by reasons of the confidential nature of the following item of business to be transacted being within Category 3 of Schedule 12a Local Government Act 1972 (Rule 10 of the Access to Information Procedure Rules) and the public interest in disclosing the information is outweighed by the need to keep the information confidential.

**EB 26    Bridge Street Regeneration Quarter – Update and Procurement of Development Partner (Forward Plan No. 050/10)**

The Executive Board considered a report of Councillor T O'Neill, Leader, which provided information on the outcome of the procurement process for the selection of a development partner and to make appropriate recommendations for the progress of the Bridge Street Scheme. The procurement process did not commit the Council to specific details of any scheme or design but the submissions made by the tenderers demonstrated the general approach to delivery and viability of a major regeneration project. The submitted scheme would therefore form the basis for the development of detailed plans and proposals to be developed through consultation.

The Leader publicly thanked all those that had been involved in the process to date and in particular Warrington & Co.

Decision – That the Executive Board agreed to –

- (1) select Developer B, namely Muse Developments Limited, as the Council's preferred private sector development partner to progress the regeneration of the Bridge Street Quarter.
- (2) authorise the Executive Director, Environment and Regeneration to negotiate a Partnership Development Agreement with Muse Developments Limited on the basis of its submission to the Council, the Heads of Terms of the Partnership Development Agreement being subject to future consideration and approval by Executive Board.
- (3) authorise the Executive Director, Environment and Regeneration to negotiate a lease of the proposed new Market building within the Bridge Street Quarter with Muse Developments Limited on the basis of its submission to the Council, the Heads of Terms of the lease being subject to future consideration and approval by Executive Board.
- (4) authorise the Executive Director, Environment and Regeneration to negotiate a lease of the proposed new Council offices within the Bridge Street Quarter with Muse Developments Limited on the basis of its submission to the Council, the Heads of Terms of the lease being subject to future consideration and approval by Executive Board.

Reason for Decision:

Approval was required to enter into negotiation with the recommended private sector development partner to undertake the comprehensive redevelopment of the Bridge Street Quarter, the formal appointment and the approval of the terms and conditions for the necessary partnership development agreement to be subject to future consideration and approval by Executive Board.

**EB 27 Award the Contract for the Supply of Support to Adults with Physical Disabilities (Forward Plan No. 053/10)**

The Executive Board considered a report of Councillor P Wright, Executive Board Member, Health and Wellbeing and Adult Services which advised on the outcome for the supply of support to adults with physical disabilities and recommended acceptance of the tender which offered best value.

Decision – That the Executive Board agreed to award the contract for the supply of support to adults with physical disabilities to Creative Support for the period 1 September 2011 to 31 August 2014 and, subject to satisfactory delivery of the service, for the period up to 31 August 2016.

Reasons for Decision:

- (1) To ensure continued provision of support to the residents of Oak Gardens.
- (2) Creative Support would provide a support service to the residents of Oak Gardens at a 2011/2012 price which was lower than the 2010/2011 price.

**EB 28 School Improvement – Joint Venture Procurement (Forward Plan No. 060/10)**

The Executive Board considered a report of Councillor C Froggatt, Executive Board Member, Children and Young People's Services which provided an update on the outcome of the Competitive Dialogue process that the Children and Young People's Directorate have undertaken with regard to developing a Traded School Improvement Service Joint Venture.

Decision – That the Executive Board –

- (1) agree to appoint Serco as the preferred bidder;
- (2) delegate responsibility to make any changes to final contract structure to the Chief Executive in consultation with the Leader of the Council and the Lead Member for Children and Young People's Services;
- (3) note that the Joint Venture could be used as a procurement vehicle into the future for additional school support services;
- (4) authorise the Section 151 Officer and Solicitor to the Council to enter into the legal bidding documents on behalf of the Council.

## Agenda Item 2

### Reasons for Decision:

- (1) The funding for this staff group and area of service delivery is no longer available to the Council.
- (2) The rationale for preferring a Joint Venture was due to the lack of contractual control of the income, i.e. the services would be procured via the school budgets and not the local authority budgets. In looking for this partner, the two authorities should be able to mitigate some of the redundancy liability of school improvement staff whose funding would end on 31 March 2011. This was a significant saving to the Council, but also offered the employees concerned a continuity of their employment.
- (3) The establishment of a joint venture commercial partnership would ensure that the employment of staff was secured and redundancy costs were mitigated.
- (4) The support made available to schools via this model would ensure continued influence by the council, deliver high quality personnel and generate potential income to the Council.

Signed.....

Dated.....

Issued: 15 July 2011

## **THE FORWARD PLAN**

**1 August – 30 November 2011  
published on 15 July 2011**

Prepared by Councillor T O'Neill  
Leader of the Council

Contact Officer: Julie Ramskill  
Town Hall, Warrington, WA1 1UH  
Email: jramskill@warrington.gov.uk  
Telephone: (01925) 442114

**Link to website:**  
<http://cmis.warrington.gov.uk/cmis5/ForwardPlan.aspx>



## FORWARD PLAN FOR 1 AUGUST – 30 NOVEMBER 2011

### **What is the Forward Plan?**

The Forward Plan is a list of the key decisions the Authority intends to take during a four month period. The Plan is updated monthly and is available to the public 14 days before the beginning of each month.

### **What is a Key Decision?**

Key Decisions are Executive decisions of the authority which are decisions of the Executive Board or an Officer under delegated powers which are likely to –

- Result in Warrington Borough Council incurring expenditure, making savings or vireing £500,000 or more having regard to the Local Authority budget for the service or functions to which the decision relates, or
- Be significant in terms of its effects on communities living or working within Warrington Borough Council's area comprising two or more Wards.

For information purposes, The Forward Plan also includes some other matters expected to come before the Executive Board or that the Executive Board is likely to recommend to full Council whether or not they may give rise to Key Decisions.

### **What does the Forward Plan tell me?**

The Plan gives information about:

- what key decisions are coming forward in the next four months;
- when those key decisions are likely to be made;
- who will make the key decisions;
- what consultation will be given;
- who you can make representations to, and how;
- what documents will be considered; and
- who you can contact for further information.

### **Who takes Key Decisions?**

Under the Authority's Constitution, Key Decisions are taken by the Executive Board or individual officers acting under delegated powers.

Most Key Decisions are taken at public meetings of the Executive Board. Executive Board meets at 6.30 pm at the Town Hall, Warrington.

### **How to make representations and by when**

Names of contact officers are included in the Plan and can be reached via (01925) 442114. If you are unsure, please ring Democratic & Member Services via the same number and staff there will be able to assist you.

**FORWARD PLAN FOR 1 AUGUST – 30 NOVEMBER 2011**

**Items shaded in grey are new or have been changed since the last Plan was published. Key Decisions No. 007/11 – 008/11 are new. If you have any questions about any of the items listed please contact Julie Ramskill on 442114.**

Decision Reference Number	Item	£s to be spent/saved /vired	Policy/ Reference Documents	Wards Affected	Directorate/ Service Area	Lead Executive Board Member	Consultation	Contact for Further Info	Key Decision (Y/N)
<b>This Key Decision will be made on 15 August 2011</b>									
039/10	Chapelford Primary School - New School Building - receipt of tenders  <b>Part 2 confidential</b>	£4,900,000	Children and Young Peoples Plan - EA2	Whittle Hall	Children and Young People's Services	Councillor C Froggatt Children & Young People's Services	School staff, pupils, parents, members of the public and officers of the council	Mike Coope – Tel 443191 <a href="mailto:mcoope@warrington.gov.uk">mcoope@warrington.gov.uk</a>	Yes
059/10	Waste Disposal – Future Merchant Procurement Option following new English Waste Policy 2011.	£850,000 budget 2010/11	Municipal Waste Management Strategy	All	Environment and Regeneration	Councillor D Keane, Environment & Public Protection	Waste Working Group, Future Service Providers	Paul McHenry - Tel 442654 - <a href="mailto:pmchenry@warrington.gov.uk">pmchenry@warrington.gov.uk</a>	Yes
003/11	Detailed Business Case for the development of Not For Profit Distributing Organisations for Leisure, Wellbeing, Libraries and Cultural Services in Neighbourhood and Cultural Services	£500,000		All	Neighbourhood and Community Services (Neighbourhood and Cultural Services)	Councillor K Hannon Leisure, Community & Culture  Councillor R Bowden Corporate Assignments	Independent Review Board/ Internal Partners/ Budget Consultation/ Library Review Consultation	Jan Souness Tel: 444237 <a href="mailto:jsouness@warrington.gov.uk">jsouness@warrington.gov.uk</a>	Yes

Decision Reference Number	Item	£s to be spent/saved /vired	Policy/ Reference Documents	Wards Affected	Directorate/ Service Area	Lead Executive Board Member	Consultation	Contact for Further Info	Key Decision (Y/N)
<b>This Key Decision will be made on 19 September 2011</b>									
024/10	Tender for provision of a Material Recovery Facility [MRF].	approx £200k per year.	E1, E4	All	Environment and Regeneration	Councillor D Keane Environment & Public Protection	Waste working sub-group.	Paul McHenry - Tel 442654 - <a href="mailto:pmchenry@warrington.gov.uk">pmchenry@warrington.gov.uk</a>	Yes
044/10	Approval for Consultation to consider disposal of former GGHT Garage Sites.	Potential income >£1,000,000	Asset Management Plan 2009	All	Environment and Regeneration	Councillor M Hannon, Deputy Leader	Report is seeking approval to proceed to consultation stage	Stewart Brown Tel 442850 <a href="mailto:sbrown@warrington.gov.uk">sbrown@warrington.gov.uk</a>	Yes
NKD - 062/10	Parking Services Annual Report.		Cancellation policy/ guidance notes	All	Environment and Regeneration	Councillor L Dirir Highways, Transportation and Climate Change		Dave Rostron Tel 443252 <a href="mailto:drostron@warrington.gov.uk">drostron@warrington.gov.uk</a> Helen Ashcroft Tel 443862 <a href="mailto:hashcroft@warrington.gov.uk">hashcroft@warrington.gov.uk</a>	No

## FORWARD PLAN FOR 1 AUGUST – 30 NOVEMBER 2011

064/10	Approval to progress with Street Lighting Investment Strategy.	Spend to save approx £2million of existing revenue p.a. plus borrowing / capital TBC	Previous reports on PFI proposal and subsequent updates	All	Environment and Regeneration	Councillor L Dirir Highways, Transportation and Climate Change	Key stakeholders, members	Dave Vasey Tel 442573 <a href="mailto:dvasey@warrington.gov.uk">dvasey@warrington.gov.uk</a>  Sharon Walls Tel 442427 <a href="mailto:swalls@warrington.gov.uk">swalls@warrington.gov.uk</a>	Yes
004/11	Proposed Transfer Agreement & Lease to Culcheth High School under application for Academy Status	Value of lease exceeds £500k		Culcheth, Glazebury & Croft	Children and Young People's Services  Environment & Regeneration (Regeneration Housing and Development)	Councillor C Froggatt Children & Young People's Services  Councillor M Hannon Deputy Leader	No consultation to date regarding lease - Academy status consultation underway with school	Stewart Brown – Tel 442850 <a href="mailto:sbrown@warrington.gov.uk">sbrown@warrington.gov.uk</a> Pinaki Ghoshal – Tel 442940 <a href="mailto:pghoshal@warrington.gov.uk">pghoshal@warrington.gov.uk</a> Ian Mason – Tel 442146 <a href="mailto:imason@warrington.gov.uk">imason@warrington.gov.uk</a>	Yes
005/11	<u>2011-14 Children and Young People's Plan</u> The Children and Young People's Partnership will lead the production of a 3 year Plan that will concentrate on issues that are a priority for all agencies concentrating on the most vulnerable and disadvantaged who are at risk of poorer outcomes and life chances. The plan is scheduled to be completed in Sept 2011.	It is no longer a statutory requirement but is a significant Partnership statement of intent.		All	Children and Young People's Services	Councillor C Froggatt Children & Young People's Services	A formal consultation programme is being agreed. It will provide opportunities for comment on priorities and themes for action from a wide range of internal and external stakeholders including children, young people and their families; and public and voluntary sector partners.	Rick Howell Tel 442979 <a href="mailto:rhowell@warrington.gov.uk">rhowell@warrington.gov.uk</a>	Yes
007/11	Tender for Infrastructure Support to the Third Sector	Up to approx £400k over the term of the contract (3yrs with option to extend for 2 yrs)	N/A	All	Neighbourhood and Community Services (Neighbourhood and Cultural Services)	Councillor K Hannon Leisure, Community & Culture	Key Officers and Portfolio Holder for Neighbourhood & Communities participated in development of the service specification June - Dec 2010, existing providers informed January 2011, Labour Portfolio Holders for Leisure, Community & Culture and Health, Wellbeing & Adult Services consulted June 2011.	Ashley Chadwick Tel 444055 <a href="mailto:achadwick@warrington.gov.uk">achadwick@warrington.gov.uk</a>	Yes

## FORWARD PLAN FOR 1 AUGUST – 30 NOVEMBER 2011

Decision Reference Number	Item	£s to be spent/saved /vired	Policy/ Reference Documents	Wards Affected	Directorate/ Service Area	Lead Executive Board Member	Consultation	Contact for Further Info	Key Decision (Y/N)
<b>This Key Decision will be made on 17 October 2011</b>									
006/11	Rough Sleepers Strategy		Rough Sleepers Review Homelessness Strategy	All	Neighbourhood and Community Services  Environment and Regeneration	Councillor P Wright, Health & Wellbeing & Adult Services  Councillor D Keane, Environment & Public Protection	Rough Sleepers Working Group Homeless Forum Service users Members Police Authority PCT	Helen Catterson Tel: 443411 <a href="mailto:hcatterson@warrington.gov.uk">hcatterson@warrington.gov.uk</a>	Yes
008/11	Agreement of new governance arrangements for Cheshire and Warrington Connexions			All	Children and Young People's Services	Councillor C Froggatt, Children & Young People's Services	Connexions Board	Ann McCormack Tel: 442835 <a href="mailto:amccormack@warrington.gov.uk">amccormack@warrington.gov.uk</a>	Yes

Decision Reference Number	Item	£s to be spent/saved /vired	Policy/ Reference Documents	Wards Affected	Directorate/ Service Area	Lead Executive Board Member	Consultation	Contact for Further Info	Key Decision (Y/N)
<b>This Key Decision will be made on 14 November 2011</b>									
NIL									

## OFFICER KEY DECISIONS

Decision Reference Number	Item	£s to be spent/saved /vired	Policy/ Reference Documents	Wards Affected	Decision Maker	Lead Executive Board Member	Consultation	Contact for Further Info	Exempt Item (Y/N)
<b>This Key Decision will be made on 14 November 2011</b>									
NIL									

The definition of a Key Decision is a decision of the Executive Board or an Officer under delegated powers which is likely to: Result in Warrington Borough Council incurring expenditure, making savings or viring £500,000 or more having regard to the Local Authority budget for the service or functions to which the decision relates; or Be significant in terms of its effects on communities living or working within Warrington Borough Council's area comprising two or more Wards.

# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD - 18 JULY 2011

**Report of Executive Board Member:** Councillor Colin Froggatt,  
Executive Member, Children and Young People's Services

**Executive Director:** Kath O'Dwyer,  
Executive Director, Children and Young People's Services

**Report Author:** Hilary Smith, Service Manager Access and Assets

**Contact Details:** **Email:** hsmith@warrington.gov.uk **Telephone:** 01925 442875

**Key Decision No.** 063/10

**Ward Members:** All

**TITLE OF REPORT: DELIVERY METHODS FOR CHILDREN AND YOUNG PEOPLE'S CAPITAL PROJECTS**

### 1. PURPOSE OF THE REPORT

1.1 The purpose of this report is to seek Executive Board approval to the use of frameworks or formally established partnership contractors within the Local Education Partner (LEP) and the North West Construction Hub to deliver major Children and Young People's Services capital projects in order to support the speedy and efficient delivery of such capital projects.

### 2. CONFIDENTIAL OR EXEMPT

2.1 This report is not confidential or exempt.

### 3. INTRODUCTION AND BACKGROUND

3.1 In the forthcoming months the Children and Young People's Directorate capital programme will continue to be delivered, with the next two major projects within the programme being Bewsey Lodge Primary School (indicative value of the scheme is £2.8m) and Woolston Primary School (indicative value of the is £4m).

3.2 The existing approach to delivery of capital projects of a value in excess of £3.5m involves advertisement of the project in the Office of the European Journal (OJEU) after which there is an extremely lengthy and therefore costly process involved in the selection and appointment of a contractor.

- 3.3 The market is currently very responsive to opportunities and as a consequence tendered prices are tending to be less than initial budget figures and offer very good value for money. However, given that the volume of interest is extremely high, this can introduce delays in programme delivery.
- 3.4 The most recent example of this, is the current project for replacement of Great Sankey Primary School which has followed the process:

<b>Step</b>	<b>Action</b>
<b>1</b>	Registration and publication via OJEU: <b>29 July 2010</b> Indicative start on site for the project within the notice: 3 May 2011 Indicative completion of the project within the notice: 13 August 2012
<b>2</b>	Interested contractors submit expression of interest by 7 September 2010 Interested contractors submit pre-qualification questionnaire (PQQ) by 14 September 2010
<i>At this point 76 contractors expressed an interest of which 45 submitted a PQQ.</i>	
<b>3</b>	Internal assessment of PQQ and short listing completed: December 2010
<i>At this point 5 contractors were shortlisted and invited to tender</i>	
<b>4</b>	Shortlisted contractors develop scheme to submission of tender to April 2011
<b>5</b>	Internal assessment of tenders and selection of contractor to 17 June 2011
<b>6</b>	Internal approval and appointment of contractor process: Executive Board on 18 July, and confirmed appointment early August
<b>7</b>	Successful contractor develops scheme to start on site: <b>January 2012</b>
<b>8</b>	Contractor construction process to completion of building: <b>to October 2012</b>

- 3.5 It can be seen in the table above that the original intention when the notice was first issued, was an anticipated start on site in May 2011 and therefore completion by August 2012.
- 3.6 The actual timeline is now an anticipated start on site - January 2012 and completion - October 2012, which means a delay of eight months in starting the project and a delay in completion of two months. The project is anticipated to take 27 months from step 1 – 8 (above) to deliver.
- 3.7 The largest contributory factor to the delay has been the additional time taken internally to coordinate, assess and select the contractors as a result of the following:
- Unanticipated high volume of returns initially from contractors requiring assessment and short listing;
  - That the same small team of officers were at the same time involved in the same process for the replacement of Sycamore Lane Primary school with a new school at Chapelford Urban Village. This scheme was following the same

timeline and received 88 initial expressions of interest to the OJEU and subsequently 45 PQQs were returned all requiring assessment.

- The volume of work associated with the development of five possible designs with five different contractors. Although this is not a particularly large number, there is a significant amount of work involved with each contractor and this is multiplied, in this case, by five.

3.8 It is clear that the process will undoubtedly deliver excellent new facilities for the school. However the time involved from initial confirmation that the school is a priority and funding has been allocated is far too long and involves a significant amount of officer and consultant time which is obviously extremely costly.

3.9 In order to reduce delays and reduce costs two alternative procurement options are proposed for consideration.

#### **4. ALTERNATIVE PROCUREMENT OPPORTUNITIES**

4.1 There are alternative procurement options available to the Authority, which are being used very effectively by many local authorities to deliver schemes in a less time consuming and therefore more efficient, way. Frameworks, for example, are being used by this Authority, though not currently on CYPS capital projects. In such arrangements once the partner is selected, they are in place potentially to deliver as few or as many projects as the authority considers appropriate, thus reducing time taken and expense incurred by repeating the assessment and selection process of each individual project.

##### **4.2 Opportunity A - The Local Education Partnership (LEP)**

4.2.1 Members will be aware that this Authority partnered with Halton BC on the procurement of a Local Education Partner (LEP) to deliver the Building Schools for the Future (BSF) projects. The early stages involved in selecting the LEP are similar to those used in the 'mainstream' procurement process (e.g. that used for Great Sankey Primary School illustrated in 3.2 above – i.e. publication of OJEU, submission of PQQ and then short listing.

4.2.2 This was followed by competitive dialogue process, to identify a partner capable of delivering a large programme of schemes. Warrington contributed £1m towards this process as part of the BSF procurement arrangements.

4.2.3 Since the Warrington BSF initiative was halted, Halton has continued to develop, select and appoint a bid team and establish the Halton LEP. The construction partners are therefore currently on site delivering the Halton BSF projects. Members of the Halton LEP have advised Warrington officers that we are still named in the original agreements and as such the LEP is available to us to deliver Warrington projects.

4.2.4 The Bewsey Lodge Primary School redevelopment project - if the LEP were to be used for this project the time required to deliver the project would be significantly

reduced and costs of procurement would also be reduced. If this were to be agreed it would be possible that the contractor could commence on site at Bewsey Lodge in March 2012 and complete the project by the end of the year 2012. This would reduce the time taken to deliver the project (as compared to the Great Sankey Primary School project) by approximately 10 months.

4.2.5 Given that this Authority has invested significantly in the creation of the LEP it is suggested that the LEP should be used to deliver the Bewsey Lodge Primary project, subject to both Executive Board's agreement and subject to the LEP satisfying agreed criteria in relation to cost and delivery. The indicative value of the Bewsey Lodge scheme is £2.8m.

4.2.6 In relation to the value for money, as part of the competitive dialogue selection process, the companies which were appointed to the LEP, had to demonstrate that cost and project delivery compared favourably with the market. These companies were also subject to continuous improvement targets and specific partnership agreements in relation to use of local sub-contractors and suppliers.

#### **4.3 Opportunity B - The North West Construction Hub**

4.3.1 The North West Improvement and Efficiency Partnership (NWIEP) provided financial support for the development of the North West Construction Hub and the establishment of a range of frameworks to deliver construction projects.

4.3.2 The frameworks have been established to provide access to contractors within the North West region with the necessary skills, expertise and capacity to deliver capital projects within a specified value range.

4.3.3 The arrangements put in place by the North West Construction Hub are accessible to all local authorities and other public sector organisations in the region and are there to facilitate the speedy and efficient delivery of projects.

4.3.4 Therefore, this provides another opportunity to the more traditional procurement route previously selected for school capital projects.

4.3.5 The timescale involved is likely to be slightly longer than using the LEP (Opportunity A above) as the process would still involve the selection of the contractor through a competitive process involving a small number of contractors chosen from the appropriate framework. The inclusion of a competitive element within the North West Construction Hub procurement route brings a degree of certainty in ensuring best value.

4.3.6 It is suggested that North West Construction Hub is the route chosen for delivery of the replacement of Woolston Primary School which is another approved priority capital scheme within the existing Children & Young People's Services programme and which has an indicative value of £4m.

## **5. FINANCIAL CONSIDERATIONS**

- 5.1 A significant investment was made by the Authority in establishing the LEP and therefore it seems sensible to try to secure a return on this investment by using the LEP to deliver at least one capital project for the authority. This is especially relevant given the additional time and cost that could be saved on future projects.
- 5.2 There is opportunity to ensure that the LEP continues to deliver best value, in line with current rates available from the open market through the traditional tendering process. The process of engagement with the LEP on any new project requires submission of costs that are benchmarked against current market rates. In addition, as the value of work implemented by the LEP increases, there is a requirement at specific milestones, to reduce costs and this forms part of the contract agreement.
- 5.3 The element of competition in the North West Construction Hub procurement route has the potential to introduce greater certainty of ensuring best value in the procurement process and has a further benefit of the number of contractors and their design partners to choose from.

## **6. RISK ASSESMENT**

- 6.1 The alternative procurement routes identified in this report are being used successfully and effectively by other local authorities across the region and nationally. All risks will be identified as part of the project development and delivery process in order to put in place an appropriate risk management plan and mitigation strategy.
- 6.2 Further reports will be presented to the Executive Board in relation to the procurement outcomes for individual projects within the Children and Young People's Capital programme, which will include consideration and mitigation of all relevant risks.

## **7. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT**

- 7.1 Capital investment proposals deliver a positive impact on equality and diversity and the projects identified will have a significant positive impact on equality and diversity across the whole borough.
- 7.2 Additionally successful contractors appointed to frameworks and LEP have demonstrated an effective approach to securing improvements in equality and diversity as part of the selection process.

## **8. CONSULTATION**

- 8.1 A minimum level of consultation has taken place on the projects at this stage.

8.2 However extensive consultation with schools and other stakeholders was a key element of the competitive dialogue process used for selection of the preferred bidder for the LEP.

**9. REASONS FOR RECOMMENDATION**

9.1 To support speedy and efficient delivery of capital projects in the future.

**10. RECOMMENDATION**

It is recommended that the Executive Board:

- (i) agrees to the use of the Local Education Partnership for delivery of the Bewsey Lodge Primary project, in the first instance and subsequent use as appropriate, subject to agreement by Halton BC and subject to the LEP satisfying specified cost and delivery criteria;
- (ii) agrees to the use of the appropriate framework within the North West Construction Hub for delivery of the Woolston Community Primary School project in the first instance and subsequent use as appropriate, subject to the Hub satisfying specified cost and delivery criteria.

**11. BACKGROUND PAPERS**

Not applicable.

Name	E-mail	Telephone
Hilary Smith	hsmith@warrington.gov.uk	01925 442875

12. Clearance Details	Name	Consulted		Date Approved
		Yes	No	
Relevant Executive Board Member	Cllr Colin Froggatt	√		17.06.11
SMB		√		21.06.11
Relevant Executive Director	Kath O'Dwyer	√		17.06.11
Solicitor to the Council	Tim Date	√		21.06.11
S151 Officer	Lynton Green	√		21.06.11
Relevant Assistant Director	Ann McCormack	√		17.06.11

# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD - 18 JULY 2011

<b>Report of Executive Board Member:</b>	Councillor D Keane, Executive Board Member, Environment and Public Protection	
<b>Director :</b>	Andy Farrall, Executive Director, Environment and Regeneration	
<b>Report Author:</b>	David Cowley, Head of Housing Services	
<b>Contact Details:</b>	<b>Email Address:</b>	<b>Telephone:</b>
	dcowley@warrington.gov.uk	01925 442162
<b>Key Decision No.</b>	001/11	
<b>Ward Members:</b>	All	

### TITLE OF REPORT: SOLAR PROJECT PARTNERSHIP WITH GOLDEN GATES HOUSING TRUST

#### 1. PURPOSE

- 1.1 The purpose of the report is to seek Executive Board approval for the business case for the installation of solar photovoltaic panels on 600 properties owned by Golden Gates Housing Trust (GGHT) in the "Closing the Gap" areas.

#### 2. CONFIDENTIAL OR EXEMPT

- 2.1 This report is not confidential or exempt.

#### 3. INTRODUCTION AND BACKGROUND

- 3.1 The aim of the project is to install solar photovoltaic panels (pv) on 600 properties owned by GGHT in the "Closing the Gap" areas. The solar panels will capture the sun's energy and convert the sunlight into electricity enabling tenants to benefit from reduced energy bills. The electricity generated by the solar pv would be free for tenants to use and it is estimated that tenants would save in the region of £112 per year on energy costs. In addition because the energy produced is from a renewable source (the sun) the initiative would save 474 tonnes of carbon per year and support our objectives as part of the Climate Change Strategy.

- 3.2 The electricity generated will be entitled to payments under the government's Clean Energy Cashback otherwise known as Feed in Tariffs. Feed in Tariffs (FITs) became available on 1 April 2010 and under the scheme energy suppliers make regular payments to those who generate their own electricity from renewable or low carbon sources such as solar pv. This is a similar system to the one operated by Germany in which the FIT has existed for nearly 10 years.

#### **4. WHY ARE WE CONSIDERING THIS PROJECT?**

##### **Closing the Gap**

- 4.1 The 600 properties will all be located in the Closing the Gap target area with priority for Longford subject to capacity of the network. The project has the potential to reduce the energy costs for tenants, which will save them money and is likely to take some tenants out of fuel poverty. It is estimated that on average tenants with solar pv installed could reduce their electricity costs by £112 per year (a total of £67,200 per year for all 600 properties). This project will support other investment and energy efficiency measures proposed by GGHT including ensuring that every window has double glazing, installation of modern efficiency heating systems to those properties which have the most inefficient and providing loft insulation to 300mm.

##### **Energy Costs**

- 4.2 In 1990 the average cost for electricity was £246 per year, but by 2009 this had increased to £456. Between 1999 and 2009 there was a 75.4% increase and in 2008/09 the increase was 13.2%. There is concern that energy costs will increase as the wholesale price of electricity and gas rises for utility companies who will then pass this onto their customers. Recent announcements have already seen Scottish Power increase electricity charges by 10%.

##### **Climate Change**

- 4.3 Carbon dioxide is one of the main greenhouse gases that cause climate change. The UK Government has placed an emphasis on local authorities setting an example and taking a leading role in climate change. Action by local authorities will be critical to the achievement of the Government's climate change objectives, such as the long term goal to reduce CO<sub>2</sub> emissions by 80% by 2050 in the Climate Change Act.
- 4.4 Domestic dwellings account for 33% of carbon emissions and in Warrington this equates to 550,000 tonnes each year. The solar project is forecast to save 474 tonnes of carbon per year providing electricity from a renewable source.

#### **5. PARTNERSHIP WITH GOLDEN GATES HOUSING TRUST**

- 5.1 There are 3,004 properties owned by GGHT in the Closing the Gap area. A feasibility study has identified that 1,137 properties would be suitable for the installation of solar pv. GGHT Board has approved the principle of a pilot project

## Agenda Item 7

working with the Council to provide solar pv for 600 properties. An evaluation of options as part of GGHT's Energy Strategy has been completed and identifies a further 3,500 properties which would be suitable for solar pv. As a result once the pilot project has been implemented and evaluated there is an opportunity to expand the programme with a mixture of funding from the Council and GGHT.

- 5.2 The pilot project will involve the Council prudentially borrowing to fund the supply and installation of the solar pv on 600 properties and we would continue to own these panels with the responsibility for maintenance and replacement of inverters which are included in the financial modelling. In effect the Council would be "renting the roof" from GGHT and enter into a legal agreement. For those tenants who took part in the pilot project their tenancy agreement would need to be amended and the FIT assigned to the Council so we would receive the quarterly payments direct from the energy supplier. To reduce the administration on behalf of the Council the FIT would be with the relevant distribution network operator which for the pilot would be Scottish Power. As part of the partnership there will be a 50:50 sharing of any potential surplus on an open book arrangement after all costs associated with the project have been taken into account such as borrowing costs, maintenance and administration over the 25 years.

## 6. FINANCIAL CONSIDERATIONS

- 6.1 Solar pv is entitled to the feed in tariff for 25 years and the income over 25 years is forecast at £14,008,931 for both the generation tariff and export tariff. The costs over 25 years are forecast at £6,559,422 which includes borrowing over 10 years at 3.29%. In order to provide the electricity at no cost to tenants there is a potential VAT of 5% that is not recoverable by GGHT, which over 25 years is forecast at £300,000. Over 25 years there is a forecast surplus of £7,149,509 which would be shared 50:50 with GGHT.
- 6.2 The supply and installation of the solar pv will be charged at 5% VAT and is not included in the financial model. Guidance on VAT has determined that the payment under the feed in tariff is not a consideration for any supply and outside the scope of VAT. In effect this means that the additional VAT cost of £155,400 for the supply and installation of the solar pv can be recovered and does not need to be included in the financial model.
- 6.3 Existing tenants of GGHT at the time of transfer are entitled to the Right to Buy. The provision of solar pv and the arrangements set out in this report was not something that could have been considered at the time RTB was included in the Housing Act 1980. As a result the Council is still seeking legal advice on this issue. Until this advice is clarified it is proposed that a proportion of any RTB capital receipt arising from the sale is used to repay the borrowing costs associated with that property.

**7. RISK ASSESSMENT**

7.1 A risk assessment is set out in appendix 2 of this report.

**8. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT**

8.1 The installation of solar pv has the potential to save tenants in the region of £112 in electricity costs per year. The pilot project will target the Closing the Gap area mainly in Longford, subject to network capacity, which is one of a number of areas with the densest concentration of households in need of assistance based on the Indices of Multiple Deprivation. The initiative has the potential to take some tenants out of fuel poverty and will reduce the impact of the forecast increase in energy costs.

**9. CONSULTATION**

9.1 The Council has consulted with GGHT Board on the proposals.

**10. REASONS FOR RECOMMENDATIONS**

10.1 There have been substantial increases in electricity costs over recent years and the forecast is that large rises in energy costs will continue. One recent announcement has seen electricity charges increase by 10%. The solar pv project has the potential to save tenants in the region of £112 per year and may take some out of fuel poverty. In addition this project is forecast to save 474 tonnes of carbon per year providing electricity from a renewable source which supports the Council's Climate Change Strategy.

**11. RECOMMENDATIONS**

11.1 The Executive Board is recommended to:

- (i) approve the business case for the pilot solar project with Golden Gates Housing Trust and the Council enters into a legal agreement with GGHT to provide up to 600 solar pv based on a 50:50 share of any surplus after taking into account borrowing, maintenance and administration costs over 25 years.
- (ii) agree that the detailed negotiation of the legal agreement to be delegated to the Executive Director, Environment and Regeneration, in consultation with the Executive Member, Environment and Public Protection and the Solicitor to the Council.
- (iii) authorise the Solicitor to the Council to enter into such leases and ancillary legal agreements as required to implement the pilot project.

## Agenda Item 7

- (iv) appoint the relevant distribution network operator for the Feed in Tariffs (FIT), which for the pilot project will be Scottish Power.

### 12. BACKGROUND PAPERS

N/A

13.	Clearance Details	Name	Consulted		Date Approved
			Yes	No	
	Relevant Executive Board Member	Cllr D Keane	✓		17/6/11
	SMB		✓		21/6/11
	Relevant Executive Director	Andy Farrall	✓		17/6/11
	Solicitor to the Council	Tim Date	✓		17/6/11
	S151 Officer	Lynton Green	✓		17/6/11
	Relevant Assistant Director	Peter Taylor	✓		17/6/11

## Agenda Item 7

## BUSINESS CASE DOCUMENTATION

## APPENDIX 1

**TITLE OF PROJECT**

**SOLAR HOUSING PROJECT**

**SERVICE**

**HOUSING SERVICES**

**BRIEF DESCRIPTION OF PROJECT**

The project is a partnership between Warrington Borough Council and Golden Gates Housing Trust (GGHT).

The aim of the project is to install solar photovoltaic panels (pv) on 600 properties owned by GGHT in the "Closing the Gaps" areas. The solar panels will capture the sun's energy and convert the sunlight into electricity enabling tenants to benefit from reduced energy bills.

The electricity generated will be entitled to payments under the government's Clean Energy Cashback otherwise known as Feed in Tariffs. Feed in Tariffs (FITs) became available on the 1<sup>st</sup> April 2010 and under the scheme energy suppliers make regular payments to those who generate their own electricity from renewable or low carbon sources such as solar pv. This is a similar system to the one operated by Germany in which the FIT has existed for nearly 10 years.

### VERSION CONTROL

**Approved Version:**

**1.0**

**Current Version:**

**1.0**

### DECISION PATH

**Decision Taken By:**

**Executive Board**

**Decision Date:**

## APPROVALS BOX ( be completed for ALL projects)

A to D must be completed in all cases

- |    |                                       |              |
|----|---------------------------------------|--------------|
| a) | Project Manager                       | David Cowley |
| b) | Departmental Sponsor                  | Peter Taylor |
| c) | WBC Corporate Finance DMT Sponsor     | Lynton Green |
| d) | Date of Officer/member Panel Approval |              |

Has authorisation been obtained from the following? :

(Boxes E to G are only to be completed in relevant cases)

- |    |   |     |
|----|---|-----|
| e) | <b>WBC HR Representative</b><br>Staffing changes only   | N/A |
| f) | <b>WBC Head of Financial Planning</b><br>Linked receipts in relevant cases<br>Approval is required for any project where additional staff<br>Accommodation will be needed | N/A |
| g) | <b>WBC ICT Representative</b><br>Projects containing ICT Implications only  | N/A |

### Note:

**SECTION 1 – is to be completed for ALL projects**

**SECTION 2 – these are ADDITIONAL questions for projects with a Total value of between £250k and £500k**

**SECTION 3 – these are ADDITIONAL questions for projects with a Total value of over £500k**

## SECTION A (To be completed by ALL projects)

1. Department	Environment & Regeneration
2. Service	Housing Services
3. Contact Officer / Project Manager	David Cowley
4. Project Title	Solar Housing Project

### 5. Financial aspects £000's (Appendix 1)

Please complete Appendix 1 showing as a minimum for Capital Projects:-

- Breakdown of spend by category
- External income sources
- On-going revenue costs
- Efficiencies or savings generated
- Staffing implications

Please outline all funding sources for the project and confirmation is guaranteed e.g. underpinned by a formal funding agreement

#### Summary

The total costs of the project over 25 years are estimated at £6,559,422 consisting of £3,697,660 of prudential borrowing for the solar pv panels, with a further £1,837,029 for on going maintenance/replacement of inverters and administration costs of £1,024,733. In addition it has been estimated that the unrecoverable VAT at 5% to enable tenants to have free electricity is £300,000. The project will require prudential borrowing of £3,108,000 and the remaining maintenance and operational costs will be funded from income from the feed in tariff.

#### External Income Sources

The electricity generated from the solar farm will be entitled to payments under the government's Clean Energy Cashback otherwise known as Feed in Tariffs. Feed in Tariffs (FITs) became available on the 1<sup>st</sup> April 2010 and under the scheme energy suppliers make regular payments to those who generate their own electricity from renewable or low carbon sources such as solar pv. The payment period for solar pv is 25 years. Once the installation is approved the FIT rate is fixed at that point for 25 years and then increases with RPI.

It is forecast that all 600 properties will have solar pv installed before the end of March 2012. For the 600 properties installed before March 2012 they will be entitled to a feed in tariff of £0.433 for 25 years which will be adjusted for inflation. The projected income over 25 years is forecast at £14,008,931.

#### Staffing Implications

Administration costs of £30,000 increasing with inflation over 25 years are included in the project to cover the project management and monitoring of income to ensure income forecasts are being achieved.

### 6. Financial year of project commencement and Forecast life of project

The project is forecast to start on site August 2011

7. Please state the approval route for the proposed project

Strategic Management Board	21 <sup>st</sup> June 2011
Executive Board	18 <sup>th</sup> July 2011
GGHT Board	Approved

8. Category of projects

Please identify below under which category the Project would fit. (Select ALL appropriate categories)

- Statutory
- Invest to save
- Service enhancement
- Supporting department Asset Management Plan
- Partnership Working
- Fully funded
- DSG (Dedicated Schools Grant) Ringfenced
- Direct links to Corporate Plan and Departmental Plan priorities

- The project is fully funded through the feed in tariff which will repay the prudential borrowing and provide a surplus which will be split 50:50 between the Council and GGHT
- Partnership working with GGHT who will liaise with tenants in the installation of the sola pv
- The project is forecast to save 474 tonnes of carbon per year and has the potential to save the tenants involved in the project £67,200 each year in energy costs.
- Has direct links to the Corporate Plan and Directorate Plan priorities which are as follows:

**E4 Reduce CO<sup>2</sup> emissions and prepare for climate change.**

The solar project is forecast to save 474 tonnes of carbon per year and has the potential to provide electricity, from a renewable source, to 600 properties. In addition it is forecast that total energy cost saving for all tenants involved in the project is £67,200 per year.

**Closing the Gaps**

The 600 properties are all located in the Closing the Gaps target area. The project has the potential to reduce the energy costs for tenants and is likely to take some tenants out of fuel poverty. This project will support other investment and energy efficiency measures proposed by GGHT including ensuring that every window has double glazing, installation of modern efficiency heating systems to those properties which have the most inefficient and providing loft insulation to 300mm.

9. **Project/proposal description**

Please provide a brief summary that:-

- Outlines the objectives of the project;
- Justifies the investment, including the implications of doing nothing (statutory, invest to save, etc.);
- Shows the links to the Corporate Plan & KPI's (please state objective);
- Makes clear the expected benefits (financial & non-financial) (outputs), when they will be delivered and how they will be measured;
- Demonstrates the VFM improvements delivered and how these will impact on VFM profiles;
- Shows the impact on Service Users, as evidenced by impact assessments;
- Highlights where proposals contribute to the Council's Diversity Agenda

N.B. A committee report or equivalent which covers these areas is sufficient

The aim of the project is to install solar photovoltaic panels (pv) on 600 properties located in the Closing the Gaps area. The solar pv will capture the sun's energy and convert the sunlight into electricity. Investing in green energy infrastructure will not only provide electricity for Warrington, but it is estimated that each tenant involved in the project will save between £100 and £150 per year in energy costs and on average £112.

Carbon dioxide is one of the main greenhouse gases that cause climate change. The UK Government has placed an emphasis on local authorities setting an example and taking a leading role in climate change. Action by local authorities will be critical to the achievement of the Government's climate change objectives, such as the long term goal to reduce CO<sub>2</sub> emissions by 80% by 2050 in the Climate Change Act.

Warrington Borough Council's Sustainable Community Strategy sets a carbon reduction target of reducing the boroughs carbon emissions by 40% from 2006 levels by 2030. In 2007 we produced our Climate Change Strategy which started us on our mission to embed carbon reduction across the Council. Domestic dwellings account for 33% of carbon emissions and in Warrington this equates to 550,000 tonnes each year. By producing electricity from a renewable source this project will result in a reduction of 474 tonnes of carbon every year.

In the longer term, DECC's 2050 pathways analysis shows that total decarbonisation will require increased use of electricity in domestic and industrial heating and transport. Peak generation capacity in the UK currently stands at 85.3GW. However, the coming decade will see many changes in the electricity markets, in particular, the closure of a number of coal and oil fired plant, that are considered too polluting by modern standards, and nuclear plant that are scheduled to come to the end of their working lives. The Large Combustion Plants Directive will lead to closure of around 12GW of coal and oil-fired fleet by 2016 at the latest. The Industrial Emissions Directive could also lead to further closures by 2023. In addition, according to current timetables, up to 7.4GW of existing nuclear generating capacity is reaching the end of its operational life and will have closed by 2020.

**Corporate Plan Links**

**E4 Reduce CO<sub>2</sub> emissions and prepare for climate change.**

The installation of solar pv to 600 properties will result in the reduction of 474 tonnes of carbon every year.

**Closing the Gaps**

The 600 properties are all located in the Closing the Gaps target area.

**10. To what extent have you taken account of the whole life costs of the project?**

Areas to be considered include:

Energy usage, cyclical maintenance & replacement costs, the flexibility of use (multi purpose use of buildings), security issues, environmental impact, health & safety issues, final disposal costs

The operating and maintenance costs including provision for maintenance and life cycle replacement costs such as the replacement of inverters have been included within the project.

**11. What are the plans for post implementation review and ensuring benefits realisation is achieved and evidenced?**

The electricity generated will be monitored on a monthly basis to enable actual income to be compared against forecasts.

**12. Internal & external resources / Impact on other WBC Services**

Please provide a detailed break-down of all resources required to deliver this project.

Please show the outcome of any consultation with internal service providers and provide evidence of their agreement to the project as part of the Approvals section at the start of the Business Case.

David Cowley and Andy Doyle will deliver and monitor progress of the project in partnership with GGHT. Regular reports will be considered by the Regeneration Programme Board/Climate Change Board and Peter Taylor will retain overall responsibility for the project.

### 13. Risk

Risks (Negative) – what are the key things that will stop this project being a success? (Key means those things that are likely to happen and which would have a major consequence if they did)

Attached at Appendix 2 is a high level risk assessment of the consequences of proceeding with the project together with actions which would mitigate the identified risk.

Actions – What are you proposing to do to reduce the likelihood of it happening or to reduce the impact if it does?

- Weather trends suggest excessive cloud cover is unlikely and no worse than the estimated yield included in the model. This has been checked against the Energy Savings Trust model.
- To minimise the impact of system failures there is a 5 year guarantee on installation. There is a 25 year guarantee on solar panel performance at 80% of their initial performance
- The replacement cost for inverters has been included in financial projections.

### 14. Which external stakeholders/partners have been consulted?

Please state which stakeholders/partners the project/proposal will affect and provide details of the consultation that has taken place with these groups.

If consultation has not already taken place, please provide details of when key groups will be consulted.

How will any opposition to the proposals be managed?

All tenants directly affected will be visited by a member of staff from GGHT and the Council with the project explained on an individual basis.

15. **Is the proposal dependent on any other project(s) or are any other projects dependent on it? If so please give details**

There is no dependency on other projects to be considered with this proposal.

16. **What options have been considered?**

Please provide details of other options that have been considered, including the costs and benefits associated with them and the reasons why they were rejected.

To illustrate your points you may find it helpful to refer to the risk assessment and the different options to demonstrate how they compare.

Costs should be on a Net Present Value basis to aid comparison and any weighting used in the quantitative/qualitative analysis should be explained.

Not applicable

## SECTION B – Additional questions to be completed for projects with a Total Cost of between £250k to £500k

### 17. Risk Assessment (Appendix 1)

See Section 21

### 18. Exit Strategy

What are the criteria for pulling out of the project? When would the project become unviable?

If the project will result in an ongoing financial commitment, what arrangements have been put in place to enable the Borough Council to withdraw from the project if funding is no longer available?

The project would become unviable at the point at which income received can no longer sustain the repayment of the prudential borrowing and the ongoing management and repair of the solar panels. However, once each installation obtains MCS accreditation it is entitled to feed in tariff payments at a set level increasing with RPI for 25 years from this date. A change in this policy would require an Act of Parliament.

### 19. Estimated Asset Life

Please give an estimate of the useful asset life of the proposed purchase or the extent to which the spend will enhance the useful life of existing assets (e.g. for a refurbishment project).

It is envisaged that the project will prolong the life of the dry-side aspects of the centre by a further 15-20 years.

The project is expected to have a life in excess of 30 years and life cycle costs have been included for maintenance and replacement.

After the prudential borrowing has been repaid the additional income will be split 50:50 between GGHT and the Council.

### 20. Prudential borrowing bids (Capital only)

The financing costs of the prudential borrowing will be met from the payments received from the feed in tariffs based on the electricity generated by the solar panels.

**SECTION C - Additional questions to be completed for projects with a Total Cost of over £500k**

**21. Risk Assessment**

Appendix 2 provides a risk assessment of the consequences of proceeding with the investment together with action which would mitigate the identified risk.

**22. Sensitivity Analysis**

How would changes in key project variables (e.g. number of users of the service, demographic changes) affect the project?

This should clearly illustrate the point, at which the investment does not prove to be Value for Money, i.e. the point we would become indifferent to making the investment.  
What is Plan B?

A sensitivity analysis has been carried out.

**23. Project Management Arrangements**

Please explain what project management arrangements (e.g. Prince 2) will be implemented throughout the project, and which officers will undertake which roles.

David Cowley and Andy Doyle will project manage, implement and monitor the project in partnership with GGHT. Regular reports will be considered by the Regeneration Programme Board and Peter Taylor will retain overall responsibility for the project.

**24. Whole Life Costs**

Please use the box below to outline the approach taken, assumptions used, and where the operational costs will be funded from.

Operational and whole life costs are built into the financial model for the project. The income received from the feed in tariffs will be used to maintain and repair the solar panels.

**25. Value for Money (VFM)**

Please provide a commentary on how the proposal will enhance VFM in this particular service area with relevant evidence to support this.

## Appendix 1: Summary of Costs and Prudential Borrowing

Outlined below is a summary of the costs and income for the project:

Maintenance and inverters costs (over 25 years)	£1,837,029
Prudential borrowing of £3.1m over 10 years at 3.29%	£3,697,660
Administration	£1,024,733
Unrecoverable VAT at 5% for free electricity use by tenants	£ 300,000
Total project costs over 25 years	£6,859,422
Forecast income	£14,008,931

### Project Assumptions

- Installation costs based on tender of £3,108,00 for 600 properties
- Interest rate for prudential borrowing of £3,108,000 for 10 years at 3.29%
- Government feed in tariff for solar is 25 years
- The generation tariff is £0.433 per Kwh and increase with RPI
- Export tariff is based on £0.031 per Kwh based on 50% usage by the tenant
- The unrecoverable VAT at 5% is £20 per roof

## Appendix 2: Summary of Risks

Risk Description	Probability	Impact	Overall Risk	Review Date	Risk Owner	Comment: What can be done to reduce risk or what contingency plans will be in place?
Poor solar yield and energy generated	Low	High	2	Medium term	Peter Taylor	Weather trends suggest excessive cloud cover is unlikely and no worse than the estimated yield included in the model. This has been checked against the Energy Savings Trust model
Reduced return on investment with reduced or loss of FIT	Low	High	2	Medium term	Peter Taylor	Scheme is an Act of Parliament New coalition government appears to support the scheme
Supply chain shortages with restricted availability of installers or shortage of inverters and solar panels	Low	High	2	Short term	Peter Taylor	Enter the market early before awareness of the FIT programme and its popularity increases
System failures	Low	Medium	2	Medium term	Peter Taylor	5 year guarantee on installation and 25 year guarantee on solar panel performance  Replacement cost of inverters included in financial projections
Vandalism resulting in replacement costs and loss in income	Low	Medium	2	Short term	Peter Taylor	Isolated cases of vandalism to date on solar panels installed
Theft resulting in replacement costs and loss in income	Low	Medium	2	Short term	Peter Taylor	Panels located on roofs and the use of smart water should deter possible thefts
Lack of organisational capacity/staffing	Low	Medium	1	Throughout programme	Peter Taylor	Priority given to ensure project delivered



# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD -18 JULY 2011

**Report of Executive Board Member:** Cllr D Keane, Executive Board Member, Environment and Public Protection

**Executive Director :** Andy Farrall, Executive Director, Environment and Regeneration

**Report Author:** David Cowley, Head of Housing Services  
Stewart Brown, Chief Estates and Valuation Officer

**Contact Details:**

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<a href="mailto:s_brown@warrington.gov.uk">s_brown@warrington.gov.uk</a>	01925 442850

**Key Decision No.** 002/11

**Ward Members:** Cllr Steve Parish, Cllr Jeff Richards, Cllr Pat Wright, Cllr Keith Bland, Cllr Sue Bland, Cllr Les Hoyle, Cllr Hans Mundry, Cllr Steve Wright, Cllr John Kerr-Brown, Cllr Brian Maher, Cllr Steve Roberts, Cllr Graham Friend and Cllr Geoff Settle

### TITLE OF REPORT: STOCK TRANSFER OF NEW BUILD BUNGALOWS

#### 1. PURPOSE

1.1 The purpose of the report is to seek Executive Board approval to consult with tenants on the option to transfer the Council's 32 new build bungalows.

#### 2. CONFIDENTIAL OR EXEMPT

2.1 This report is not confidential or exempt.

#### 3. INTRODUCTION AND BACKGROUND

3.1 The Council transferred its housing stock to Golden Gates Housing Trust (GGHT) in November 2010. Under the Local Authority New Build programme the Council secured funding of £1.95m from the Homes and Communities Agency to build 32 two bed bungalows for rent. The new build bungalows were not included in the stock transfer because work was underway on building some of the bungalows. However, it was the Council's intention at the time, subject to consultation with tenants and Secretary of State consent, that the bungalows would be transferred

## Agenda Item 8

to GGHT once the final phase is completed in September 2011. GGHT currently provide a housing management and repair service for tenants living in the new build bungalows.

- 3.2 The new bungalows have been built on former garage sites and infill sites on existing housing estates currently managed by GGHT as follows:

<b>Provisional Sites</b>	<b>Number of bungalows</b>
North View garage site	2
Henshall Avenue	4
Kimberley Street	3
Sealand Close	10
Charnock Road garage site	3
Cartmel Avenue garage site	2
Atlee Avenue/Churchill Avenue	8
<b>Total</b>	<b>32</b>

## 4. CONSULTATION

- 4.1 The transfer of less than 500 residential properties does not require a place on the Large Scale Voluntary Transfer programme. However, there is a requirement to provide the government with information concerning the proposal, to seek approval to develop this further and consult tenants formally.
- 4.2 The consultation process is set out in government guidance and it is proposed that this guidance is followed in consultation with the tenants.
- 4.3 The Department for Communities and Local Government's (DCLG) Housing Transfer Manuals 2005 and 2006 provide guidance on the housing transfer process and sets out the procedure to submit details of a proposed Small Scale Voluntary Transfer (ie the transfer of 499 or fewer properties.) DCLG must agree to the development of the proposal before the formal consultation with tenants can be undertaken.
- 4.4 An authority is legally required to consult all tenants whose homes would be transferred. Informal consultation would take place prior to the formal process being undertaken. The formal consultation requirements involve the issue of a Stage 1 consultation document followed by a Stage 2 notice.
- 4.5 Transfer cannot go ahead if the majority of tenants are opposed to it. A ballot is considered a good way of establishing tenants' views, although DCLG are willing to consider other methods.

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4.6 Members may wish to consider the appointment of an Independent Tenants Advisor to engage with and involve the tenants in the decision. This would not exceed £10,000 (based on costs from the previous large scale stock transfer in November 2010).

4.7 Formal consent for transfer from the Secretary of State under section 32-34 of the Housing Act 1985 is required.

### **5. PROPOSAL**

5.1 It is proposed to commence consultation with tenants of the 32 bungalows identified at 3.2 above regarding transfer of the stock to GGHT.

### **6. FINANCIAL CONSIDERATIONS**

6.1 Given the current financial circumstances the Council will use existing staff to manage the stock transfer consultation process.

6.2 There may be an additional cost of up to £10,000 incurred by the Council in appointing an independent tenant adviser to support the tenants through the consultation process.

### **7. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT**

7.1 There are no equality and diversity issues associated with this report.

### **8. CONSULTATION**

8.1 The Council carried out extensive consultation with tenants, leaseholders and stakeholders which led to the transfer of its housing stock in 2010. Further formal consultation will be carried out with the tenants affected by the proposal to transfer 32 bungalows to GGHT.

### **9. REASONS FOR RECOMMENDATIONS**

9.1 The Council must consult tenants if it wishes to transfer these dwellings. The Council no longer provides a housing management service following the transfer of its housing stock in November 2010 and provides a more strategic and enabling role.

### **10. RECOMMENDATIONS**

10.1 The Executive Board is recommended to:

- (i) approve the consultation process with the tenants living in the new build bungalows on the options to transfer to GGHT.

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- (ii) request the Secretary of State, subject to the outcome of the consultation process, to give approval to the transfer.
- (iii) request that a further report be presented to Executive Board regarding the next stage, including the outcome of the consultation with tenants and any transfer terms and conditions.

### 11. BACKGROUND PAPERS

N/A

12.	Clearance Details	Name	Consulted		Date Approved
			Yes	No	
	Relevant Executive Board Member	Cllr D Keane	✓		17/6/11
	SMB		✓		21/6/11
	Relevant Executive Director	Andy Farrall	✓		17/6/11
	Solicitor to the Council	Tim Date	✓		17/6/11
	S151 Officer	Lynton Green	✓		17/6/11
	Relevant Assistant Director	Peter Taylor	✓		17/6/11

# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD - 18 JULY 2011

<b>Report of Executive Board Member:</b>	Councillor Colin Froggatt, Executive Member for Children and Young People's Services	
<b>Executive Director:</b>	Kath O'Dwyer, Executive Director, Children and Young People's Services	
<b>Report Author:</b>	Mike Coope, Programmes Manager	
<b>Contact Details:</b>	<b>Email:</b> mcoope@warrington.gov.uk	<b>Telephone:</b> 01925 443191
<b>Key Decision No.</b>	057/10	
<b>Ward Members:</b>	Councillor Hitesh Patel, Councillor Jean Carter and Councillor Liz Smith	

### TITLE OF REPORT: GREAT SANKEY PRIMARY SCHOOL - REPLACEMENT

#### 1. PURPOSE

- 1.1 The purpose of this report is to seek Executive Board approval to the appointment of a building contractor to undertake works to construct the new school building for Great Sankey Primary School.

#### 2. CONFIDENTIAL OR EXEMPT

- 2.1 Information contained within this report is not confidential. The Part 2 (agenda item 10) details information which is commercially sensitive and therefore will be considered within part 2 of the agenda.

#### 3. INTRODUCTION AND BACKGROUND

- 3.1 In line with former Government (Department for Children Schools and Families) requirement to access primary capital programme funding a Primary Strategy for Change (PSFC) was developed and approved by Executive Board in 2008/2009.
- 3.2 The strategy included a review of primary schools, where each school was assessed against set criteria, including building condition. After consultation it was recommended that the poor quality accommodation at Great Sankey Primary School should be replaced. This would be by the construction of a new school building.

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- 3.3 In 2009 it was agreed with the governors of the school that the delivery of the replacement Great Sankey Primary School, although very important, should be delayed so that its redevelopment could be incorporated into a building contract for the replacement of Penketh High School, through the former government's Building Schools for the Future programme. Both schools being delivered together would represent good value for money and deliver a well designed campus, removing the current sprawl of buildings.
- 3.4 In July 2010 the new government stopped Building Schools for the Future and Warrington's plans for new high schools, including Penketh High School were cancelled.
- 3.5 The initial allocation of primary capital programme funding has been retained and the Council is therefore able to continue in addressing priority condition issues. Therefore the replacement of Great Sankey Primary School has now progressed as a stand alone project, separate from Penketh High School.
- 3.6 Over the last twelve months, requirements and specifications have been developed to articulate the Council and school's need for a new school building at Great Sankey Primary School. It was concluded that the new building would need to be developed on the playing fields at Penketh High School, which is adjacent to the current primary school site.
- 3.7 There has been consultation with Penketh High School, parents of the primary school, Sport England and the local residents in respect of the proposals to build the new school building on the playing field of the high school. To offset the loss of the playing field, proposals have been developed including the upgrade of the existing sports pitches and sports facilities at Penketh High School, along with proposals to divert the existing public right of way, which is currently routed through the high school site. The total estimate of cost for the project is £4.5 million.
- 3.8 Capital resources of £4.5 million have been identified within the Children and Young Peoples Services capital programme and the school's devolved formula capital (DFC) allocation as set out at paragraph 5.1 below.

## 4. PROCUREMENT

- 4.1 The form of contract that is intended to be utilised to let the main part of the project is of a "design and build" type, which has requirements for the successful contractor to develop a working design, utilising his skills with the supply chain. This type of procurement route has been used elsewhere in the UK and helps to ensure that in the first instance the client procures a building which is designed and developed in accordance with its requirements and also one which has been thoroughly tested through the contractor's supply chain to ensure innovation and cost efficiency. The result being a design and tender that meets the requirements for best value.

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- 4.2 Contractors were invited to tender in accordance with European legislative procurement procedures as required for projects of this value. All contractors were vetted through a pre qualification questionnaire and evaluation process resulting in a short list of five companies.
- 4.3 A detailed tender report and financial analysis is contained at Part 2 to this agenda.

### 5. FINANCIAL CONSIDERATIONS

- 5.1 The capital cost of the scheme will be supported through resources available from the Children and Young People's Capital Programme and the school's DFC allocation as follows: -

CYPS Capital Programme, grant from DfE:	£4.455 million
Great Sankey Primary School DFC:	£0.45 million

Total budget available: £4.500 million

- 5.2 The estimate for the project indicates a value for the package of works to be tendered as being in the region of £4.5 million. In the event that the tendered sums exceed the budget of £4.5 million then the scope of the works will be value engineered to ensure that the cost can be contained within the budget available.
- 5.3 Subject to Executive Board approval the planned financial phasing for the project is as follows:

2010/11	2011/12	2012/13	2013/14	Total
£0.178 m	£1.100 m	£2.972 m	£0.250 m	£4.5 million

### 6. RISK ASSESSMENT

- 6.1 Member approval to appointment of the contractor will enable the project to move forward without the risk of delay.

### 7. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

- 7.1 Capital investment proposals deliver a positive impact on equality and diversity, and the overall Primary Capital Programme will have a significant positive impact on equality and diversity across the whole borough.

### 8. CONSULTATION

- 8.1 Extensive consultation has taken place with the school, parents and members of the public to ensure that the project meets their aspirations for learning.

**9. REASONS FOR RECOMMENDATIONS**

9.1 The project at Great Sankey Primary School was agreed as a priority given that it targeted investment at a school prioritised on the basis of extremely poor condition.

**10. RECOMMENDATIONS**

10.1 It is recommended that the Executive Board:

- (i) accepts the contract tender recommended by officers in the Part 2 tender evaluation report;
- (ii) approves to commit to funding the project also as detailed in the part 2 report;
- (iii) authorises the Solicitor to the Council and Assistant Director, Corporate Governance to enter into the contract and finalise any related documents for the building of the project.

**11. BACKGROUND PAPERS**

Not applicable

12.	Clearance Details :	Name	Consulted		Date Approved
			Yes	No	
	Relevant Executive Board Member	Cllr Colin Froggatt	√		17.06.2011
	SMB		√		21 06 2011
	Relevant Executive Director	Kath O'Dwyer	√		17 06 2011
	Solicitor to the Council	Tim Date	√		20 06 2011
	S151 Officer	Lynton Green	√		20 06 2011
	Relevant Assistant Director	Ann McCormack	√		14 06 2011