



**OVERVIEW AND SCRUTINY COMMITTEE (REGULATORY,  
COMPLIANCE AND CORPORATE SERVICES)**

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL BOOTLE  
ON TUESDAY 7TH FEBRUARY, 2023**

PRESENT: Councillor Bradshaw (in the Chair)  
Councillors Carlin, D'Albuquerque, Grace, Killen,  
McGinnity, Murphy and Shaw

ALSO PRESENT: Councillors Lappin and Ian Maher

**36. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Byrom and Robinson (and his Substitute Member Councillor Thomas).

**37. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**38. MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 10 January 2023 be confirmed as a correct record.

**39. ASSET MANAGEMENT STRATEGY AND ASSET DISPOSAL  
POLICY 2023/24**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Asset Management Strategy (the Strategy) and Asset Disposal Policy (the Policy) 2023/24.

The report indicated that the Strategy and Policy set out the vision and aspirations for the effective management of the Council's corporate asset portfolio and the role it played in supporting and shaping the Council's agenda for the 2030 vision; that aside from its staff, the Council's next biggest resource was its land and property and therefore it was vital that this resource was managed and used effectively and efficiently to ensure that the Council derived maximum benefit from its assets in support of its strategic aims and priorities; that the Strategy and Policy would provide a framework for the planning, prioritisation, management and funding of the Council's asset base; and that this was a statutory document that the Council was required to have in place and would be reviewed on an annual basis.

The Asset Management Strategy and Asset Disposal Policy 2023/24 were attached as appendices to the report.

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This report would also be considered by Cabinet and Council at their meetings to be held on 9 February and 2 March 2023 respectively.

Members of the Committee asked questions/commented on the following issues:

- Asset Disposal Policy - Approval Limits and particularly the approved delegated limits for the Cabinet Member- Regulatory, Compliance and Corporate Services and Cabinet
- Factors involved to determine whether an asset would be disposed of or leased

RESOLVED:

That Asset Management Strategy and Asset Disposal Policy 2023/24 be noted.

#### **40. PRUDENTIAL INDICATORS 2023/24**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on Prudential Indicators 2023/24.

The report indicated that the CIPFA Prudential Code for Capital Finance in Local Authorities was introduced following the Local Government Act 2003; that it detailed a number of measures / limits / parameters (Prudential Indicators) that were required to be set each financial year; and that the approval of these limits would provide a benchmark to measure actual performance against, to help ensure that the Council complied with relevant legislation, was acting prudently and that its capital expenditure proposals were affordable.

A summary of Prudential Indicators was attached as an appendix to the report.

This report would also be considered by Cabinet and Council at their meetings to be held on 9 February and 2 March 2023 respectively.

The Committee was requested to consider the Prudential Indicators as the basis for compliance with the Prudential Code for Capital Finance in Local Authorities; and provide any comments to Council to be considered as part of the formal approval of the Prudential Indicators for 2023/24.

A Member of the Committee asked a question/commented on the following issue:

- debt maturity profile and its impact on effective treasury management

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RESOLVED: That

- (1) the Prudential Indicators as the basis for compliance with the Prudential Code for Capital Finance in Local Authorities be noted;
- (2) it be noted that the relevant Prudential Indicators will be revised as required and that any changes will be brought to Cabinet and then to Council for approval; and
- (3) It be noted that the estimates of capital expenditure may change as grant allocations are received.

**41. TREASURY MANAGEMENT POLICY AND STRATEGY 2023/24**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Treasury Management Policy and Strategy 2023/24.

The report indicated that the Council had adopted CIPFA's 2021 Code of Practice on Treasury Management in the Public Services (the Code) which recommended the production of annual Treasury Management Policy and Strategy documents; and that in addition, the Council had adopted and incorporated into both documents:

- (a) the requirements of the 2021 Prudential Code for Capital Finance in Local Authorities; and
- (b) an Investment Strategy produced in line with the then Ministry of Housing Communities and Local Government (MHCLG) Statutory Guidance on Local Government Investments 2018, which set out the manner in which the Council would manage its investments, giving priority to the security and liquidity of those investments.

The report also advised that the Code required the Council to produce:

- (a) a Treasury Management Policy Document (attached as Appendix A to the report) which outlined the broad policies, objectives and approach to risk management of its treasury management activities;
- (b) a Treasury Management Strategy Document (attached as Appendix B to the report) which set out specific treasury activities that would be undertaken in compliance with the Policy in 2023/24;
- (c) suitable Treasury Management Practices, setting out the manner in which the organisation would seek to achieve these policies and objectives and prescribing how it would manage and control those activities; and
- (d) Investment Management Practices for investments that were not

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part of Treasury management activity.

Also attached to the report as Appendix C was the Minimum Revenue Provision Policy Statement 2023/24.

This report would also be considered by Cabinet and Council at their meetings to be held on 9 February and 2 March 2023 respectively.

The Committee was requested to consider the proposed policies and strategy documents which included the objectives and operation of the Council's Treasury Management functions, the manner in which the Council would manage its investments and the methodology used to set aside revenue provision for the repayment of debt; and provide any comments to Council that would be considered as part of the formal approval of the Treasury Management Policy, Treasury Management Strategy and Minimum Revenue Provisions Policy Statement.

RESOLVED:

That the report on the Treasury Management Policy and Strategy 2023/24 be noted.

#### **42. CAPITAL STRATEGY 2023/24 TO 2027/28**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Capital Strategy 2023/24 to 2027/28.

The report indicated that the Capital Strategy set out the long-term context in which capital expenditure, borrowing and investment decisions were made and consider the impact of these decisions on the priorities within the Council's Core Purpose and the promises made in the 2030 Vision for Sefton; that at the heart of the Capital Strategy was the Council's core objective to continue to deliver financial sustainability; and that as such, a flexible capital investment programme was more important than ever as a method to stimulate and enable economic growth and strategic investment, ensuring best use of existing assets and of generating future income streams to pay for and deliver day to day services.

The Capital Strategy was a key policy document for Sefton Council and followed guidance issued in the Prudential Code for Capital Finance in Local Authorities (2021 Edition); and local authorities were required by regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.

The Capital Strategy 2023/24 as attached to the report.

This report would also be considered by Cabinet and Council at their meetings to be held on 9 February and 2 March 2023 respectively.

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The Committee was requested to consider the proposed Capital Strategy document as set out in Appendix A; and provide any comments to Council that would be considered as part of the formal approval of the Capital Strategy.

Members of the Committee asked questions/commented on the following issues:

- Strategic capital investments
- Public Works Loans Board Rates (PWLB) and the past use of PWLB as the most efficient manner of borrowing for councils
- the tightening up by Government of the use of PWLB to fund the acquisition of commercial assets

RESOLVED:

That the Capital Strategy 2023/24 to 2027/28 be noted.

**43. ROBUSTNESS OF THE 2023/24 BUDGET ESTIMATES AND THE ADEQUACY OF RESERVES – LOCAL GOVERNMENT ACT 2003 - SECTION 25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the robustness of the 2023/24 Budget Estimates and the Adequacy of Reserves – Local Government Act 2003 - Section 25

The report indicated that to comply with statute, the Chief Financial Officer was required to report to Council prior to the approval of the budget and the setting of the Council Tax, to give assurance that the budget was robust and that there were adequate reserves and balances.

The report concluded that as a result of considering the issues contained within the report, it was the view that the budget proposed was a robust budget package whilst also ensuring that there were adequate General Balances to draw on if the service estimates turned out to be insufficient; and that this opinion was provided in accordance with Section 25 of the Local Government Act 2003.

This report would also be considered by Cabinet and Council at their meetings to be held on 9 February and 2 March 2023 respectively.

Members of the Committee asked questions/commented on the following issues:

- the cost implications of aligning the Medium-Term Financial Plan to the improvement plan proposed by the DfE commissioner
- the role of the Schools' Forum and its decisions on the Dedicated Schools Grant and High Needs Funding

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RESOLVED:

That it be noted that the Local Government Act 2003, (section 25 as amended) requires the Chief Financial Officer to report formally on the following issues:

- (a) an opinion as to the robustness of the estimates made and the tax setting calculations; and
- (b) the adequacy of the proposed financial reserves;

and that the Council is requested to have regard to the matters raised in this report during the final stages of determining the budget for 2023/24.

**44. REVENUE AND CAPITAL BUDGET PLAN 2023/24 – 2025/26  
AND COUNCIL TAX 2023/24**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Revenue and Capital Budget Plan 2023/24 – 2025/26 and Council Tax 2023/24.

The report provided:

- an assessment of the Council's current financial position and approach to the 2023/24 Budget Plan and preparation for the additional two-year budget period 2024/25 to 2025/26
- an update on the Government's announcement of resources that were available to the Council for 2023/24 and 2024/25
- the Council's current financial position and the assumptions built into the Medium-Term Financial Plan
- the proposed Budget for 2023/24; and
- the proposed Capital Programme for 2023/24

The report also set out the financial strategy of the Council and the national and local financial context within which it was operating; and that the Council had a statutory requirement to remain financially sustainable and to balance its budget every year.

Attached as appendices to the report were the individual school budgets 2023/24; budget saving proposals; draft Council budget summary 2023/24; and the Capital Programme 2023/24 – 2025/26

This report would also be considered by Cabinet and Council at their meetings to be held on 9 February and 2 March 2023 respectively. The Council would be recommended:

- (A) In respect of the Budget 2023/24 and Medium-Term Financial Plan from 2024/25 to 2025/26 to:
  - (1) note the update of the Medium-Term Financial Plan for the period

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2023/24 to 2025/26;

- (2) approve the Revenue Budget for 2023/24 and authorise officers to undertake all of the necessary actions to implement the budget changes and proposals as detailed within the report;
- (3) approve the commencement of all appropriate activity required to implement the budget savings proposals as detailed in the report, including for example, consultation with employees and engagement with partners and contractual changes as the programme develops;
- (4) note that officers would comply with agreed HR policies and procedures including relevant consultation with Trade Unions and reports to the Cabinet Member - Regulatory, Compliance and Corporate Services as required.
- (5) note the Schools' Forum decisions on the Dedicated Schools Grant and Individual School Budgets (Section 12);
- (6) approve the allocation of specific grants as detailed in the report (Section 13); and
- (7) Approve, subject to the recommendations above, the overall Council Tax resolution for 2023/24 including Police, Fire, Mayoral and Parish Precepts;
- (B) In respect of the Capital Programme 2023/24 to 2025/26 to approve for inclusion within the Capital Programme the full list of projects in Appendix D; and
- (C) In respect of Business Rates (Removing Schools Discretionary Top Up Relief) to approve the removal of the discretionary business rates relief awards currently given to voluntary aided / church schools with effect from 1 April 2024 (Section 18).

The Committee was requested to consider the proposals within the report and to provide any comments to Cabinet which could be considered as part of the formal approval of the Budget Plan for 2023/24 – 2025/26 and the Council Tax for 2023/24.

Members of the Committee asked questions/commented on the following issues:

- the need for the Social Worker Academy to be successful to reduce the reliance on agency workers; and retention initiatives to ensure staff stayed with Sefton
- concern that neither the Autumn Statement or Settlement mentioned the Public Health Grant and therefore no information was available on the national totals or individual allocations

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- was rental income from the Strand Shopping Centre more adversely affected than other similar sectors during the pandemic; and
- the effects of businesses struggling during the pandemic and its impact on Business Rates collection performance; and the consequent increase in Business Rates appeals provision

RESOLVED: That

- (1) the update of the Medium-Term Financial Plan for the period 2023/24 to 2025/26 be noted; and
- (2) the Executive Director of Corporate Resources and Customer Services and his staff be thanked for the production of the detailed reports for consideration at this meeting and their overall efforts in formulating the Council's budget for consideration by Council.