



COUNCIL SUMMONS

To Members of the Metropolitan Borough Council

Dear Councillor

You are requested to attend a Meeting of the Sefton Metropolitan Borough Council to be held on **Thursday 29th September, 2022 at 6.30 pm at the Town Hall, Bootle** to transact the business set out on the agenda overleaf.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Dwayne", followed by a horizontal line.

Chief Executive

Town Hall,
Southport

Wednesday 21 September 2022

Please contact Steve Pearce, Interim Democratic Services Manager
on 0151 934 2068 or e-mail steve.pearce@sefton.gov.uk

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

A G E N D A

1. Apologies for Absence

2. Declarations of Interest

Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.

Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.

Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.

3. Minutes of Previous Meeting

(Pages 5 - 36)

Minutes of the meeting held on 14 July 2022

4. Tributes to Her Majesty Queen Elizabeth II

The Mayor will pay tribute to Her Majesty Queen Elizabeth II following her sad death on 8 September 2022 and then invite tributes from Leaders of the Political Groups (or their representatives) and other Members of the Council, followed by a one-minute silence.

5. Mayor's Communications

Public Session

6. Matters Raised by the Public

To deal with matters raised by members of the public resident within the Borough, of which notice has been given in accordance with the procedures relating to public questions, motions or petitions set out in Paragraph 36 to 47 of the Council and Committee Procedure Rules in Chapter 4 of the Council Constitution.

(Details of any further petitions notified or questions submitted by members of the public will be circulated at the meeting).

Council Business Session

7. Questions Raised by Members of the Council

To receive and consider questions to Cabinet Members, Chairs of Committees or Spokespersons for any of the Joint Authorities upon any matter within their portfolio/area of responsibility, of which notice has been given by Members of the Council in accordance with Paragraph 49 to 51 of the Council and Committee Procedure Rules, set out in Chapter 4 of the Council Constitution.

8. Impact of Covid 19 on the Primary Curriculum Working Group - Final Report (Pages 37 - 54)

Report of the Chief Legal and Democratic Officer

9. Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 – September Update (Pages 55 - 78)

Report of the Executive Director of Corporate Resources and Customer Services

10. Treasury Management Outturn 2021/22 (Pages 79 - 94)

Report of the Executive Director of Corporate Resources and Customer Services

11. Annual Report of the Audit and Governance Committee 2021-2022 (Pages 95 - 136)

Report of the Executive Director of Corporate Resources and Customer Services

12. Allocation of Supplemental Substance Misuse Treatment and Recovery Grant (Pages 137 - 144)

Report of the Director of Public Health

13. Council Constitution - Rule 46, (Waiving Call-In) Provisions (Pages 145 - 146)

Report of the Leader of the Council.

14. Membership of Committees 2022/23

To consider any changes to the membership of any Committees etc.

15. **Motion Submitted by Councillor Pugh - Public Health Performance Framework** (Pages 147 - 148)
16. **Motion Submitted by Councillor Irving - Part 5 of Section 6.7 of Sefton Councils Statement of Community Involvement** (Pages 149 - 150)
17. **Motion Submitted by Councillor Irving - Banning the Sale of Disposable Barbecues in England** (Pages 151 - 152)
18. **Motion Submitted by Councillor Prendergast - Disclosure and Barring Service (DBS) Checks for Elected Members** (Pages 153 - 154)
19. **Motion Submitted by Councillor Sir Ron Watson - Freedom of the Borough** (Pages 155 - 156)
20. **Motion Submitted by Councillor Moncur - Smoking Impact on Public Health** (Pages 157 - 158)
21. **Motion Submitted by Councillor Pugh - Raw Sewage Entering the Water Course** (Pages 159 - 160)
22. **Motion submitted by Councillor Roscoe - Air Quality Around Schools** (Pages 161 - 164)

COUNCIL

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 14TH JULY, 2022

PRESENT: The Mayor (Councillor Carragher) in the Chair

Councillors Atkinson, Bradshaw, Brodie - Browne, Brough, Burns, Byrom, Cluskey, Corcoran, Cummins, D'Albuquerque, Dowd, Doyle, Evans, Fairclough, Grace, Halsall, Hansen, Hardman, Hardy, Howard, Irving, Jones, John Joseph Kelly, Sonya Kelly, Killen, Lappin, Lloyd-Johnson, McGinnity, McKinley, Moncur, Morris, Murphy, Myers, O'Brien, Page, Prendergast, Pugh, Riley, Robinson, Roche, John Sayers, Shaw, Spencer, Anne Thompson, Tweed, Waterfield and Sir Ron Watson

18. WELCOME

The Mayor welcomed all Members to Council meeting.

The Mayor indicated that Members would be aware that Covid rates were again increasing and that here in Sefton rates were over a 12-month high; and that this was resulting in increasing admission numbers to our hospitals and spikes in staff sickness too over recent weeks. The Council was encouraging people over 75 to have the booster vaccine as it was aware that large numbers of people still had not had a booster vaccine; and the Council was also aware that people over 50 would be asked to come forward for a further booster in the coming months.

The Mayor concluded that she had taken advice about this evening's meeting and whilst she was not proposing any current changes to the way the meeting was held, there may be some Members who felt more comfortable wearing a mask. If this was the case then the Mayor encouraged Members to wear a mask.

19. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bennet, Brennan, June Burns, Carlin, Dodd, John Kelly, Lunn-Bates, Chris Maher, Ian Maher, Richards, Roscoe, Sathiy, Thomas, Lynne Thompson, Veidman and Webster.

20. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interests or personal interests were received.

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21. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the Council meeting held on 19 May 2022 be approved as a correct record.

22. MAYOR'S COMMUNICATIONS

Death of Councillor Gordon Friel

The Mayor announced that it was her very sad duty to report on the loss of Councillor Gordon Friel who passed away on 11 July 2022.

The Mayor indicated that Councillor Friel was elected to the Linacre Ward on 5 May 1994 and served on the Council for 28 years. During his time on the Council, Councillor Friel served on numerous Committees, Overview and Scrutiny Committees, Cabinet Member portfolio meetings and the Public Engagement and Consultation Panel. Councillor Friel had a particular interest in licensing matters and served on the Licensing/Licensing and Regulatory Committee for 18 years.

Councillor Friel served on the Linacre and Derby Area Committee from 1999/00 to 2012/13 and was Chair of the Committee for a two-year period between 2009/2011; and then served on the South Sefton Area Committee from 2013/14 to 2017/18.

Councillor Friel represented the Council on the Merseyside Integrated Transport Authority/LCR Combined Authority Transport Committee from 2012/13 to 2022/23; and held the positions of Vice-Chair of the Transport Committee and Deputy Portfolio Holder for Transport and Air Quality.

On behalf of the Council the Mayor extended her sincere condolences to Gordon's wife Karen, his son and daughter, his grandchildren and the rest of his family.

Councillors Fairclough, Brough, Pugh, Jones, Myers, Hansen and Cluskey paid tribute to Councillor Friel.

The Council then observed a one-minute silence as a mark of respect on the sad passing of Councillor Gordon Friel.

Srebrenica Memorial Day 2022

The Mayor reported that this year marked 27 years since the genocide at Srebrenica in Bosnia and Herzegovina in which over 8,000 Bosnian Muslim men and boys were systematically murdered in what was described by the United Nations as 'the worst crime on European soil since the Second World War'.

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The Mayor continued that the lessons learned from Srebrenica were that hatred and intolerance could flourish if left unchallenged; that each year during Srebrenica memorial week and on Srebrenica memorial day on the 11 July, communities across the country honoured the victims and survivors of the genocide, and pledged to create a better, stronger and more cohesive society in the United Kingdom; and that by confronting this dark chapter of our collective history, we could reaffirm our commitment to tackling prejudice discrimination and remind ourselves of the need to strengthen our resolve so that “never again” was truly meant.

Councillor Mike Morris MBE

The Mayor took the opportunity to congratulate on behalf of the Council, Councillor Mike Morris for his MBE Award in the Queen’s Birthday Honours List for his dedication and commitment to the Maritime Industry.

The Queen’s Platinum Jubilee Celebrations

The Mayor reported that she had attended several engagements during the Queen’s Jubilee weekend celebrations, including lighting a beacon with the girl guides, to street parties in Derby Park and in Maghull. The Mayor indicated that it was extremely pleasing to see such fantastic community spirit during such a momentous occasion.

Falklands Commemoration Service and Sefton’s Armed Forces Day Event

The Mayor reported that she attended two significant military events, namely:

On Sunday 19th June 2022 she attended a Falklands Commemoration Service in Southport, organised by Southport Royal British Legion; and that it was a very moving service.

On Sunday 26th June 2022 that she attended Sefton’s Armed Forces Day Event held in Southport; that this was a fantastic event and was enjoyed by everyone who attended, specifically the Lord Lieutenant of Merseyside who was looking to use the event as a blueprint for future Merseyside Armed Forces Day events.

Thornton College Prom

The Mayor reported that she would like to thank her fellow members who contributed to the Thornton College Prom and which helped to make the night a great success and a wonderful evening for the students.

Mayor’s Lottery

The Mayor reported that at each Council meeting she would take the opportunity to remind Members to sign up for the Mayor’s Lottery. The Lottery cost £2 per month to enter and would be deducted directly from

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Members' allowances. Half of the proceeds from the lottery would go towards the Mayor's Charity Fund.

23. MATTERS RAISED BY THE PUBLIC

The Mayor reported that two public petitions had been received as detailed below.

Public Petition - Demand a Safe Crossing Solution on Lulworth Road, Southport

The terms of the petition, which contained over 5000 signatures, stated that on the 30th November 2021 Marie Cunningham was sadly killed along with her friend Grace simply trying to cross Lulworth Road. Their deaths have shocked residents in the area who have said that a crossing has been needed for some time and so with this in mind, as a family, we have engaged with Sefton Council and started a process to review the possibility of installing a pedestrian crossing to allow safe passage. As part of this process it was important that this crossing request was supported by like-minded people, so as a family, we are looking for your support. We are asking you to sign this petition so we can forward this as evidence to Sefton Council to show the need for change and protect pedestrians in the area.

In accordance with the Council's Constitution, the Lead Petitioner was advised of his right to make representations to the Council, not lasting more than 5 minutes. Mr. Cunningham addressed the Council for 5 minutes in respect of the terms of the petition.

The Cabinet Member for Communities and Housing, Councillor Hardy, responded to the petition and started by thanking Mr. Cunningham for submitting his petition and coming to the Council meeting to speak to Members; and expressed her condolences on behalf of the Council to the families for their sad loss.

Councillor Hardy stated that the request for the pedestrian crossing would be referred to the Cabinet Member - Locality Services for consideration.

In addition to the request for physical improvements to the highway in the area, Councillor Hardy advised that Safer Sefton Together (Sefton's Community Safety Partnership) had also commissioned an independent review into the multi-agency response to serious road traffic accidents; that it was important that we learnt from the response to such tragic events in order to improve our response in the future; and that the review would commence in September and actions for development would then be considered by the Partnership in order for them to be taken back to their respective organisations for implementation. Councillor Hardy concluded that this was an important aspect of community safety to the Council and that the review by the independent reviewer was supported.

Members then debated the petition.

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Thereafter, it was moved by Councillor Hardy, seconded by Councillor Fairclough and

RESOLVED: That:

- (1) the lead petitioner be thanked for submitting and presenting the petition to the Council; and
- (2) the actions referred to in the response to the petition be supported.

Public Petition – Provide a Secure Home for the Shy Lowen Horse and Pony Sanctuary

The terms of the petition, which contained over 500 signatures, stated that during October and November 2020 a petition was active regarding the expiration of the lease of the Sefton Council owned land at Buckley Hill Lane which has been occupied by Shy Lowen Horse and Pony Sanctuary since 1999. The petition was included in a full Council meeting on 19 November 2020 and the motion moved at that meeting to resolve the issue has not been honoured. Sefton Council are ignoring our efforts to achieve a resolution to the lease issue and are thus making it impossible for Shy Lowen to work towards all of our charitable objectives.

The expiration of our lease was in August 2020. Since January 2017 we began to seek a resolution but Sefton Council did not wish to discuss the lease then, although we were assured that a renewal would be possible. In March 2019 we reopened negotiations, and in May 2020 received the renewal offer to provide a 99-year lease although we wanted to own the site - we had asked Sefton Council for the opportunity to purchase the land whilst being aware that under the Community Asset Transfer Laws that it was possible to for a Local Authority to gift a lease or ownership of property with the appropriate covenants attached. We were advised that Sefton Council considers us to be a commercial operation so the lease would be charged at commercial rates, to obtain the best possible outcome for their assets. The figures quoted were to maintain the current rental figure of £1100.00 per year, plus an additional upfront payment of £85000.00. That figure is more than the land purchase value. Alternatively, we could accept a 45% increase in our rent to be reviewed after 14 years.

This came as a shock to us, as the best possible outcome seemed to be measured only in monetary value. We would urge Sefton Council to consider social and environmental outcomes as well as economic ones, especially when gained from a property which was at best a massive liability for the council at the outset of our arrangement. The cost of clearing 800 tons of rubble and ancillary rubbish from this site was estimated at well in excess of £100,000, but we completed this task and it cost the Council nothing. As a registered charity, we were also aware of other charitable organisations in Sefton who have been gifted property for public benefit or given 'peppercorn' lease agreements.

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Social media, local press and radio interest led to renegotiation and a hard-fought agreement to remove the upfront fee and hold the rent at £1100.00 was made. We reluctantly accepted these terms as we felt we would have no other option than to leave the site we have occupied and developed over the last 21 years. The terms were finalised in May 2020 but the attempts to obtain a workable agreement have failed as the terms required by Sefton Council incorporating a 5-year development licence prior to the inception of any lease render it impossible to raise the required funds to make the site the community asset it really could be. This in turn means we would not be granted the agreed 99-year lease. Our legal and financial advisors outlined a proposal which effectively removes this problem and so we wrote to Sefton Council in January 2022 outlining how this would work. Sefton Council are not responding to any of our efforts to resolve this matter and are not acknowledging our correspondence. This is at odds with the 19 November 2020 meeting when Councillor Lappin moved a motion stating "What we intend to do is to continue to negotiate with Shy Lowen which I have continually said are an absolutely excellent organisation and we fully support them. We are in negotiations in relation to the lease. The lease has been submitted to them and we hope to actually finalise by the end of this year.' The fact is that there have been no negotiations since that motion was moved and seconded and the format of the lease submitted to us by Sefton MBC is unworkable.

Shy Lowen ponies, who we pay to be licensed by Sefton Council, feature at Council community events in all the parks and gardens, giving pony rides to residents. When there's no budget to donate, we still attend at our own cost because we want to share some joy with communities. We offer volunteer opportunities to all ages from 10 years upwards, and this alone has led to many disadvantaged young people from the Sefton area pursuing career opportunities that would otherwise not have been open to them. For example, several have gone on to achieve university degrees in equine science subjects, three have relocated to Newmarket to progress in the prestigious horse racing industry with one training to be a farrier, another is training to become a qualified veterinary nurse in a local practice, and several more have remained with us to train as Equine Assisted Therapy Practitioners. We offer ethical horse-riding opportunities free of charge or at low cost. Our rescued animals 'pay it forward', and we fervently hope that inspires the people who meet them to do the same and to recognise their own gifts which they can tap into to improve the world.

Our therapeutic interventions have been the subject of national TV documentaries and regional news reports, and are lauded not just in Sefton, but throughout the world, a fact which appears to have been missed by our own local authority. Our work utilises the innate ability of the horse, being a prey animal, to mirror the emotions of the human, being a predator. It is successful with children but it is also successful with adults as our work with the homeless, people in addiction and military veterans has proven many times over.

We are employers, with 7 staff members, all of whom are Sefton Residents. We have 6 sessional workers who include a BACP registered

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counsellor and a psychologist. We provide significant support to Sefton based businesses with our current spend of over £55,000.00 per year in feed, bedding, equipment and animal waste removal.

We are multiple award winners providing our region with much needed national and international positive publicity. The use we want to put the 8.5 acre site to includes the current operations with additional community benefits, and is:

- To provide stabling for rescue horses and ponies and for the grazing of said horses and ponies.
- To provide an education centre for teaching children about horses and ponies
- To provide horse and pony rehabilitation, training and rehoming.
- To provide a volunteer program for children, young people and adults.
- To provide mental health therapeutic provision for children, young people and adults,
- To provide accredited equine assisted therapy practitioner training,
- To provide alternative curriculum education provision,
- To provide horse riding lessons,
- To provide community events,
- To provide free access to outdoor space,
- To provide an accessible to all abilities Community Nature Trail supporting the wild environment.

In accordance with the Council's Constitution, the Lead Petitioner was advised of her right to make representations to the Council, not lasting more than 5 minutes. Ms. Langfield addressed the Council for 5 minutes in respect of the terms of the petition.

The Cabinet Member for Regulatory, Compliance and Corporate Services, Councillor Lappin, responded to the petition and made the following points:

- In response to Shy Lowen Horse and Pony Sanctuary Trustees' plans to develop the site and their request for a long-term lease to enable them to do this, Sefton Council sent them a proposed Building Agreement and Lease back in November 2019
- This was fully in line with Council policy and ensured that any developments were carried out to the Council's satisfaction before a long-term lease was issued. Sefton Council had a duty to receive best consideration for their assets and discussions throughout had aligned with this
- Ongoing discussions took place over the Spring and Summer months of 2020 and, in August 2020, Shy Lowen Trustees confirmed that they wished to proceed with the Building Agreement and Lease, subject to review by their legal representatives
- However, in January 2022, further to this confirmation and upon conclusion of their review, Shy Lowen confirmed to Sefton Council that they were unable to proceed on the basis set out

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- In addition to Shy Lowen rejecting these terms, they also proposed an alternative approach of which Sefton Council had now considered
- The delay from August 2020 to January 2022 was down to Shy Lowen's legal and funding advisors undertaking "a protracted examination" of the proposed documents (protracted examination being the term Shy Lowen used in correspondence to Sefton Council in January 2022)
- Sefton Council recognised the valuable service the Sanctuary provides to the local community and beyond and had hoped to have concluded this agreement earlier based around the originally discussed terms. The Council do however remain keen to conclude negotiations in a satisfactory and beneficial manner to all involved. Having considered the counter proposal, Sefton Council have responded to Shy Lowen and are awaiting their response
- It must be noted that once an agreement in principle was reached between parties then this would require formal Council approval.

Members then debated the petition.

Thereafter, it was moved by Councillor Lappin, seconded by Councillor Grace and

RESOLVED: That:

- (1) the lead petitioner be thanked for submitting and presenting the petition to the Council; and
- (2) the points raised in the petition be considered further by Cabinet.

24. QUESTIONS RAISED BY MEMBERS OF THE COUNCIL

The Council considered a schedule setting out the written questions submitted by:

- (1) Councillor Evans to the Cabinet Member – Children's Social Care (Councillor Doyle)
- (2) Councillor O'Brien to the Cabinet Member – Education (Councillor Roscoe)
- (3) Councillor Grace to the Cabinet Member – Communities and Housing (Councillor Hardy)
- (4) Councillor Bradshaw to the Cabinet Member – Communities and Housing (Councillor Hardy)
- (5) Councillor Waterfield to the Cabinet Member – Communities and

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Housing (Councillor Hardy)

- (6) Councillor John Joseph Kelly to the Cabinet Member – Education (Councillor Roscoe)
- (7) Councillor Carlin to the Cabinet Member – Health and Wellbeing (Councillor Moncur)
- (8) Councillor Howard to the Cabinet Member – Regulatory, Compliance and Corporate Services (Councillor Lappin)
- (9) Councillor Lloyd-Johnson to the Cabinet Member – Regulatory, Compliance and Corporate Services (Councillor Lappin)
- (10) Councillor Prendergast to the Cabinet Member – Children’s Social Care (Councillor Doyle)
- (11) Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher)
- (12) Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher)
- (13) Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher)
- (14) Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher)
- (15) Councillor Sir Ron Watson to the Leader of the Council (Councillor Ian Maher)
- (16) Councillor Sir Ron Watson to the Spokesperson on the Liverpool City Region Combined Authority Transport Committee (Councillor Halsall)
- (17) Councillor Pugh to the Cabinet Member – Locality Services (Councillor Fairclough)
- (18) Councillor Pugh to the Cabinet Member – Communities and Housing (Councillor Hardy)
- (19) Councillor Sayers to the Cabinet Member – Planning and Building Control (Councillor Veidman)

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- (20) Councillor Shaw to the Cabinet Member – Locality Services
(Councillor Fairclough)

together with responses given. Supplementary questions to questions 1, 10, 16, 17, 18 and 20 were responded to by the Cabinet Members – Children’s Social Care, Locality Services and Communities and Housing and the Spokesperson on the Liverpool City Region Combined Authority Transport Committee.

25. SEFTON YOUTH JUSTICE PARTNERSHIP - ANNUAL PLAN

Further to Minute No. 20 of the meeting of the Cabinet held on 23 June 2022 the Council considered the report of the Head of Communities indicating that each year the Youth Justice Board (YJB) required local Youth Justice Services to produce an Annual Plan to satisfy the grant allocation and to ensure that the YJB was kept abreast of local business and performance. This year, the YJB had recommended that each Youth Justice Service adhere to a template for consistency and that the plan was signed off by the Chair of the Local Youth Justice Partnership (formerly the YOT Management Board).

Sefton’s Youth Justice Partnership Annual Plan had been produced in accordance with the YJB requirements and had been shared with the Cabinet Member - Children’s Social Care, Head of Communities, Head of Children’s Social Care, Executive Director - People and the Executive Director of Children’s Services. The Chair of the Youth Justice Service Partnership, Superintendent Local Policing, Merseyside Police, had signed off the Plan.

The Youth Justice Partnership Annual Plan was attached to the report.

It was moved by Councillor Hardy, seconded by Councillor Fairclough and

RESOLVED: That

- (1) the Sefton Youth Justice Partnership Annual Plan be acknowledged and endorsed; and
- (2) the successful work and performance of the Youth Justice Board, Youth Justice Services and their partners, as detailed in the Sefton Youth Justice Partnership Annual Plan, be commended by the Council.

26. FINANCIAL MANAGEMENT 2022/23 TO 2024/25 AND FRAMEWORK FOR CHANGE 2020 - REVENUE AND CAPITAL BUDGET UPDATE 2022/23 – JUNE UPDATE

Further to Minute No. 23 of the meeting of the Cabinet held on 23 June 2022 the Council considered the report of the Executive Director of Corporate Resources and Customer Services informing of:

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1. The current position relating to the 2022/23 revenue budget.
2. The potential implications on the Medium-Term Financial Plan (MTFP) for 2023/24 and 2024/25.
3. The proposed scheme relating to the discretionary payments of the Council Tax Energy Rebate.
4. The seeking of approval for Additional supplementary capital estimates to the Council's capital programme.

The Scheme for the discretionary payments of Council Tax Energy Rebate was attached to the report at Appendix 1.

It was moved by Councillor Fairclough, seconded by Councillor Hardy and

RESOLVED: That in respect of:

Revenue Budget

- (1) the current position relating to the 2022/23 revenue budget be noted;
- (2) the actions included in the Remedial Action Plan to offset the budget pressures being faced in 2022/23 and the funding of a Social Work Academy in 2022/23 be approved;
- (3) the financial risks associated with the delivery of the 2022/23 revenue budget be recognised and it be acknowledged that the forecast outturn position will continue to be reviewed to ensure a balanced forecast outturn position and financial sustainability can be achieved; and
- (4) the potential implications on the Medium-Term Financial Plan for 2023/24 and 2024/25 be noted; and

Capital Programme

- (5) a supplementary capital estimate of £1.033m for the Sandway Homes Phase 2 Pre-Development Works in 2022/23, subject to approval of the grant applications be approved;
- (6) a supplementary capital estimate of £4.971m for the High Needs Provision Capital Allocations 2022/23 and 2023/24 be approved;
- (7) a supplementary capital estimate of £0.270m for essential maintenance and refurbishment works at Dunes Splashworld funded by borrowing be approved; and
- (8) a supplementary capital estimate of £0.557m for the Bootle Canalside Business Case capital works funded from the Economic Recovery Earmarked Reserve be approved.

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27. ANNUAL PROGRESS REPORT CLIMATE EMERGENCY

Further to Minute No. 22 of the meeting of the Cabinet held on 23 June 2022 the Council considered the report of the Executive Director of Corporate Resources and Customer Services indicating that the Council had declared a climate emergency in July 2019. Following the declaration, work had progressed within the Council and a climate emergency strategy and associated action plan had been created.

Annual reporting on progress made was required as part of the governance approach to the programme. Members were asked to note the progress made on achieving net zero carbon by 2030 and the programme of works supporting the Council's transition to low carbon working.

The Climate Emergency Annual Report 2021/22, and the Climate Emergency Annual Report Appendix 1 Action Plan progress, were attached to the report.

It was moved by Councillor Lappin, seconded by Councillor Fairclough and

RESOLVED:

That the progress made on the targets in the Sefton climate emergency strategy and action plan be noted.

28. COAST AND VISITOR AREAS PUBLIC SPACE PROTECTION ORDER (PSPO)

Further to Minute No. 12 of the meeting of the Licensing and Regulatory (Urgent Referrals) Committee held on 27 June 2022 the Council considered the joint report of the Head of Operational In-House Services and the Head of Communities relating to a draft Public Spaces Protection Order – Coast and Visitor Areas (PSPO) under the Anti-Social Behaviour Crime and Policing Act 2014.

The report provided information concerning Coast and Visitor Area behaviours and an overview of the public consultation on proposed additional measures through a proposed new Public Space Protection Order (PSPO).

A copy of the consultation results and the proposed draft PSPO were attached as appendices to the report.

It was moved by Councillor Lappin, seconded by Councillor Fairclough and

RESOLVED: That

- (1) the following requirements/restrictions summarised below be included within the proposed PSPO – Coast and Visitor Areas, where clear support has been demonstrated through the consultation (over 60% in support):

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- 1.1 Authorised Officers able to confiscate alcohol (*where they feel it is contributing to Anti-Social Behaviour only – this is not a complete ban*);
- 1.2 Fires and Barbeques not allowed (*not allowed to light or fuel any open fire nor to use, light or discard any barbecue. This refers to all types of barbeques – disposable, gas powered, standard charcoal*);
- 1.3 Fireworks, balloons, and lantern releases not allowed;
- 1.4 Certain events only with written permission.
(*Events such as lectures, speeches, sermons, busking, live music, bootcamps, sport events, use of generators and other types of entertainment performances/shows are not allowed without prior permission granted by the Council as per our events policy*);
- 1.5 No overnight stays in tents, motorhomes, or caravans without written permission.
(*including but not limited to, pitching or occupying tents, motorhomes, caravans; sunshades and windbreaks excepted if there for a maximum of 12 hours*).

The consultation material originally suggested this relate to 'groups' overnight stays, but following discussion, is proposed to be amended to propose no unauthorized camping etc at all, without written permission).

- 1.6 No collecting money or selling (for any reason) without written permission.
(*This includes:*
 - *Begging or soliciting for money**
 - *Advertising any article verbally or by the distribution of leaflets and flyers, circulars, or advertisements of any kind*
 - *Flyposting and other fixed notices on railings, posts or other street furniture without prior permission, and a fee may be chargeable for this. Notices must be taken down within an agreed period.*
 - *Selling goods, products, or services without prior permission of the Council.*

**Begging or soliciting for money. The act of begging is deemed as either approaching people for money, or being stationary and asking for money, or positioned on the floor to invite the offer of money or goods);*

- 1.7 Cycling on cycle paths and routes, following road rules, and not cycling dangerously.
(*No riding any cycle within the restricted area unless on a*

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designated cycle route or the beach. No riding any cycle where localised signage requires you to dismount. No riding any cycle without due care and attention or without due care and consideration for other users of that area. A cycle means a bicycle, a tricycle or a cycle having four or more wheels, including one power-assisted by electrical, or other means not being in any case a motorcycle or motor vehicle);

- 1.8 No climbing on structures such as Southport Pier and outfall pipes on the beach;
- 1.9 No swimming in lakes, ponds, or pools unless rules say it is allowed.

(For example, swimming is not generally allowed in Crosby Marine Lake except for specific times/events which are advertised locally. This does not apply to swimming/bathing in the sea. It should be noted though that Sefton's coast can be hazardous; visitors are advised to take full note of the safety signage at the coast and keep to designated lifeguarded bathing areas at Formby, Ainsdale, and Southport)

- 1.10 Dogs not allowed in dog free zones on the beach or in fenced off areas or in pools or ponds. *(This is in addition to the separate boroughwide PSPO for dog control);*
- 1.11 Vehicles – No unauthorised motorized vehicles in the area. Not including mobility scooters, wheelchairs, or electric bikes on the cycle paths;
- 1.12 On-beach parking to be used for parking only and within the 10mph speed limit. *(No driving outside of the delineated parking area onto the foreshore or into the dunes. Speeding, racing, handbrake turns, and other dangerous manoeuvres, unlicensed drivers, etc are prohibited. This does not apply to emergency vehicles and other authorised access);*
- 1.13 No glass bottles or containers allowed in the restricted areas;
- 1.14 No throwing of objects *such as stones, pebbles, or anything else in a manner likely to cause alarm, injury, or damage to property;*
- 1.15 No Golf allowed;
- 1.16 Actions such as weeing, spitting, pooing not allowed outdoors in these areas *(Urinate, spit, or defecate)*

Through discussion during the consultation period, and in response to some comments received, this 'other hazards' item is proposed to be extended to include:

- ingest, inhale, inject, smoke, or otherwise use drugs or substances reasonably believed to be psychoactive substances.
- Possess or release any canister containing compressed gas
- Act in a disorderly manner so as to cause harassment, alarm, nuisance, or distress to other in the locality);

1.7 No activities that cause pollution allowed
(Bring in or permit to happen anything which pollutes or is likely to pollute the environment or cause harm to flora and fauna or people. This can include:

- *Chemicals getting into water bodies (detergent, fuel, chemicals)*
- *Plastic waste anywhere, but particularly the foreshore where it can be washed out to sea*
- *Biosecurity*
- *Littering*
- *Noise pollution*
- *Dog fouling*
- *Human waste; and*

1.18 No weapons of any kind to be brought into the area
(Bring or be in possession of any catapult, firearm, bow and arrow, crossbow, knife, or other article likely to cause harm to persons or wildlife);

(2) it be acknowledged that the Licencing and Regulatory (Urgent Referrals) Committee noted that the following items, although receiving general support, were not as strongly supported (with approval being in the 40-60% margin, but still a higher percentage than those that didn't support the item) be approved for inclusion in the PSPO namely:

2.1 Not to congregate in a group of 40 or more, after being told by an Authorised Officer or a Police Constable in order to prevent anti-social behaviour;

2.2 Boat launching only from certain parts of the coast and lakes with permission
(including Paddleboards, canoes not allowed other than at designated launching locations and with the necessary permissions);

2.3 Watercrafts and power kiting only in set areas and with written permission
(Being in charge of any pleasure boat, windsurfer, kite

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board, paddleboard, jet ski or any other vessel and causing or permitting same to be used in a dangerous manner, without due care or attention or without reasonable consideration for any other persons OR failing to comply with instructions from an Authorised Person in respect of said vessel. Bring, ride, beach or launch any jet ski other than at the marine lakes and in compliance with the operators at these locations. Undertake kite surfing, parakiting or other powered kite activity anywhere on the coast other than the designated Kite beach. Take part in these activities without the necessary permit and insurance);

- 2.4 Horses not allowed to be ridden in bathing areas on the beach in summer. Horses must not be ridden dangerously or within 2 hours of high tide.
*(Horses not allowed to be ridden or brought into the designated bathing areas between 1st May and 30th September each year.
Horses must not be ridden on the beach 2 hours either side of high tide.
Horses not allowed to be ridden on the coast other than on designated bridleways.
Horses not allowed to be ridden on the coast other than on designated bridleways and those beaches with access via an authorised route.
For the avoidance of doubt, horses are not allowed to enter vegetated areas on or adjacent to the beach or to ride through flocks of roosting/feeding birds at any time.
Gallop is not permitted)*
- 2.5 Powered flight is not allowed in any area of the Order including taking off and landing without the express written permission of Sefton Metropolitan Borough Council.
(paraglider, parascender, hang glider or other similar craft)
- 2.6 Remote-controlled vehicles not allowed without written permission
(Bring or permit to be used any remote-controlled vehicle including model aircraft without permission)
- 2.7 Drones can only be flown with written permission

- (3) it be noted that none of the items were 'unsupported' in the consultation (a disagreement with the proposal being more than 50%), and so none are proposed for immediate removal in the PSPO;
- (4) approval be granted for an additional requirement/restriction to be included within the proposed PSPO in response to a consultation response to cover interference with life-saving equipment (including

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life rings, life belts and defibrillator equipment etc) and associated safety and PSPO signage; and

- (5) the geographic locations of the PSPO as detailed in the report be agreed, and no omissions be made to these areas; but the following additional locations suggested by the Lancashire Wildlife Trust are recommended for agreement – namely, Freshfield Dune Heath and Lunt Meadows.

29. CONSTITUTION AMENDMENTS

Further to Minute No. 9 of the meeting of the Audit and Governance Committee held on 22 June 2022 the Council considered the report of the Executive Director of Corporate Resources and Customer Services that recommended updates to the Council's Constitution. The updates related to the Executive / Scrutiny Protocol, the Protocol for Relationships Between Members and Officers and paragraph 26 of Chapter 5 of the Constitution.

It was moved by Councillor Lappin, seconded by Councillor Fairclough

That

- (1) the Executive / Scrutiny Protocol be included in the Constitution;
- (2) the revised Protocol for Relationships Between Members and Officers be approved; and
- (3) paragraph 26 of Chapter 5 of the Constitution be deleted.

An amendment was moved by Councillor Sir Ron Watson, seconded by Councillor Prendergast that the Motion be amended by the addition of the following paragraph:

- (4) Chapter 5, paragraph 82 of the Constitution be amended to remove the power of the Leader to refuse a request from any elected member for an item to be placed on the agenda for the next available meeting of the Cabinet and to remove the discretion of the Leader to limit the number of such items to be considered per Cabinet meeting.
 - (i) a criteria for submission be established to enable elected members to have items placed on the Cabinet agenda provided they fulfil the requirements set out in the criteria; and
 - (ii) subject to approval of (i) above, the Executive Director of Corporate Resources and Customer Services be requested to submit a report to the Audit and Governance

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Committee setting out the proposed required criteria for approval of elected member submission of items on Cabinet agendas.

Following a debate on the **amendment** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **amendment was lost** by 13 votes to 30.

A further amendment was moved by Councillor Wilson, seconded by Councillor Sayers that the Motion be amended by the addition of the following:

- (4) that paragraph 4.4 of the Executive/Scrutiny Protocol be highlighted in bold within the document.

Following a debate on the **further amendment** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **amendment was lost** by 15 votes to 30.

Following a debate on the **Motion** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Motion was carried** unanimously and it was

RESOLVED: That

- (1) the Executive / Scrutiny Protocol be included in the Constitution;
- (2) the revised Protocol for Relationships Between Members and Officers be approved; and
- (3) paragraph 26 of Chapter 5 of the Constitution be deleted.

30. ADJOURNMENT OF MEETING

The meeting adjourned at 8.05 p.m. for a comfort break for a period of 15 minutes.

31. OVERVIEW AND SCRUTINY ANNUAL REPORT 2021/22

The Council considered the Overview and Scrutiny Annual Report for 2021/22 and Councillors Myers, Sayers, Spencer and Bradshaw highlighted the key areas of work undertaken by the respective Committees and thanked Members and Officers for their support and assistance during 2021/22.

It was moved by Councillor Bradshaw, seconded by Councillor Myers and

RESOLVED:

That the Overview and Scrutiny Annual Report 2021/22 be noted.

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32. MEMBERSHIP OF COMMITTEES 2022/23

The Mayor advised that at the last Council meeting held on 19 May 2022, the Lydiate, Aintree, Maghull and Lunt Independent Group indicated that it did not wish to take their allocated seats on the Audit and Governance Committee, the Licensing and Regulatory Committee, the Planning Committee, the Local Joint Consultative Committee for Teaching Staffs and the Local Joint Consultative Committee; and that at this meeting, the Council would seek nominations from other Groups on the Council to appoint Members and Substitute Members to fill such vacancies. The Mayor reported that nominations had been received as follows:

Audit and Governance Committee

Councillor Page (Substitute Member – Councillor Hardman) nominated by the Labour Group; and

Councillor Pugh nominated by the Liberal Democrat and Progressive Alliance Group

In accordance with Rule 98 of Chapter 4 of the Constitution (Full Council) a vote was taken when there appeared:

For Councillor Page (Substitute Member – Councillor Hardman)	• 35
For Councillor Pugh	• 10

and it was

RESOLVED:

That Councillor Page (Substitute Member – Councillor Hardman) be appointed as a member of the Audit and Governance Committee.

Licensing Committee

Councillor June Burns nominated by the Labour Group

In the absence of other nominations it was

RESOLVED:

That Councillor June Burns be appointed as a member of the Licensing and Regulatory Committee.

Planning Committee

Councillor McGinnity nominated by the Labour Group

In the absence of other nominations it was

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RESOLVED:

That Councillor McGinnity be appointed as a member of the Planning Committee.

Local Joint Consultative Committee for Teaching Staff)

Councillor Richards (Substitute Member – Councillor Hardman) nominated by the Labour Group

In the absence of other nominations it was

RESOLVED:

That Councillor Richards (Substitute Member – Councillor Hardman) be appointed as a member of the Local Joint Consultative Committee for Teaching Staff.

Local Joint Consultative Committee

Councillor O'Brien (Substitute Member – Councillor Murphy) nominated by the Labour Group

In the absence of other nominations it was

RESOLVED:

That Councillor O'Brien (Substitute Member – Councillor Murphy) be appointed as a member of the Local Joint Consultative Committee.

Merseyside Police and Crime Panel

RESOLVED

That Councillor Robinson replace Councillor Spencer as a representative on the Merseyside Police and Crime Panel.

Health and Wellbeing Board

RESOLVED:

That the following changes be made to the membership of the Health and Wellbeing Board:

- Deborah Butcher is now the Executive Director of Adult Social Care and Health and Place Director;
- the Representative of NHS South Sefton Clinical Commissioning Group, Dr Peter Chamberlain, be replaced with the Clinical Director for South Sefton PCN, Dr Craig Gillespie;

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- the Representative of the NHS Southport and Formby Clinical Commissioning Group, Dr Rob Caudwell, to now represent the Clinical Director for Southport and Formby PCN;
- Clare Morgan to replace Sir David Dalton as the representative of the NHS Acute Provider Sector and Anne-Marie Stretch to be an additional representative of the NHS Acute Provider Sector;
- Sue Potts to replace Lorraine Webb as the representative from the Every Child Matters Forum;
- Superintendent Dawn McNally to replace Graeme Robson as the representative from Merseyside Police;
- Anita Marsland, Independent Chair of the Programme Delivery Group (part of the Sefton Partnership Governance), to be an additional representative.”

The following additional changes were notified by political groups:

Labour Group

- Overview and Scrutiny Committee (Children's Services and Safeguarding) - Councillor Christine Maher to replace Councillor Killen as a Member
- Overview and Scrutiny Committee (Adult Social Care and Health) - Councillor Killen to replace Councillor Christine Maher as a Member
- Overview and Scrutiny Committee (Regeneration and Skills) - Councillor Halsall to replace Councillor Danny Burns as the substitute Member for Councillor Corcoran
- Planning Committee - Councillor Danny Burns to replace Councillor Halsall as the substitute Member for Councillor Tweed
- Public Engagement and Consultation Panel – Councillor Dowd to replace Councillor Grace as a Member

RESOLVED:

That the additional changes as detailed above, be approved.

33. MOTION SUBMITTED BY COUNCILLOR PRENDERGAST - CHILDREN'S SOCIAL SERVICES

It was moved by Councillor Prendergast, seconded by Councillor Brough:

That this Council:

- (1) Notes and fully accepts the contents of the independent Ofsted report, published on 9 May 2022;
- (2) Acknowledges the continued failings in management, supervision and leadership (including at a political and executive level) identified

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by Ofsted that have left some of the most vulnerable children in the borough at an unacceptable level of risk;

- (3) Welcomes the involvement of the Children's Commissioner to review the service and bring about rapid and meaningful change;
- (4) Resolves to:
 - (i) adopt and publish a meaningful set of benchmarks and key performance indicators to measure the improvement in service (such step to be taken as soon as possible);
 - (ii) once the Children's Commissioner has completed their review of the service, to agree to all recommendations made by them and involve all members of the Council in implementing their recommendations;
 - (iii) request that the Cabinet Member with responsibility for the service, should provide a detailed update to Full Council at each meeting (in the form of a written report) with details of performance against benchmarks/key performance indicators

An **amendment** was moved by Councillor Doyle, seconded by Councillor Lappin that:

- (1) Paragraph (4) of the Motion be amended to read:

“Resolves to take all required steps, as identified by Ofsted and the Commissioner, to ensure our Children's Services Department reaches not only an acceptable standard, but a high-quality service for the children of our Borough”; and
- (2) The Motion be amended by the addition of the following paragraphs:
 - (5) Recognise that our journey for Children's Services will take time and regular reporting will take place as required, demonstrating milestone improvements. There is a wide range of report mechanisms that exist within the Council to monitor and share our improvement journey. This includes, but is not exclusive to, Cabinet Member, Cabinet, Council, Scrutiny and Review, Corporate Parenting Board and the Improvement Board; and
 - (6) Recognises the significant work undertaken to-date on our improvement journey, underpinned by significant financial support to our Children's Services budget.

Following a debate on the **Amendment** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Amendment was carried** by 30 votes to 16 and on being put as the **Substantive Motion** it **was carried** unanimously and it was:

RESOLVED: That this Council:

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- (1) Notes and fully accepts the contents of the independent Ofsted report, published on 9 May 2022;
- (2) Acknowledges the continued failings in management, supervision and leadership (including at a political and executive level) identified by Ofsted that have left some of the most vulnerable children in the borough at an unacceptable level of risk;
- (3) Welcomes the involvement of the Children's Commissioner to review the service and bring about rapid and meaningful change;
- (4) Resolves to take all required steps, as identified by Ofsted and the Commissioner, to ensure our Children's Services Department reaches not only an acceptable standard, but a high-quality service for the children of our Borough;
- (5) Recognise that our journey for Children's Services will take time and regular reporting will take place as required, demonstrating milestone improvements. There is a wide range of report mechanisms that exist within the Council to monitor and share our improvement journey. This includes, but is not exclusive to, Cabinet Member, Cabinet, Council, Scrutiny and Review, Corporate Parenting Board and the Improvement Board; and
- (6) Recognises the significant work undertaken to-date on our improvement journey, underpinned by significant financial support to our Children's Services budget.

34. MOTION SUBMITTED BY COUNCILLOR SIR RON WATSON - SEFTON ART COLLECTION

It was moved by Councillor Sir Ron Watson, seconded by Councillor Prendergast:

That:

The Chairman of the Audit and Governance Committee will know that Sefton owns a significant collection of artworks, most of which are stored on a permanent basis at The Atkinson.

Whilst attempts are made to display some of the artwork in various locations the public actually have very little opportunity to view the collection.

The Chairman will recall that Members had been advised that it is not possible to put a value on the collection for insurance purposes because it is considered that the costs involved in determining a figure by professionals would be excessive.

The Council therefore now decides to make it known that they would welcome the involvement of anyone in the borough who could assist on a voluntary basis with at least what is known as a 'ballpark' figure.

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In addition, by way of a pilot scheme, the Council should approach the Trustees of the very impressive Birkdale Community Hub and Library and offer them artworks to display on their premises which hopefully will be considered as a way in which the public can enjoy and appreciate what is currently an unavailable asset.

In the event of this proving successful the Council would then extend the scheme to other similar organisations that have public access.

Following a debate on the **Motion** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Motion was lost** by 4 votes to 37 with 5 abstentions.

35. MOTION SUBMITTED BY COUNCILLOR SIR RON WATSON - SOUTHPORT AREA COMMITTEE

It was moved by Councillor Sir Ron Watson, seconded by Councillor Prendergast:

That:

The Council recognises the need to continually seek ways of engaging the public in Council affairs.

On this basis experience has now shown that the decision to abolish the Southport Area Committee against the majority view of the public who were consulted needs to be reviewed as it is now clear that it was a mistake.

Whilst the situation varies in various parts of Sefton the Southport Area Committee was a success and enabled the public who often attended, in not insignificant numbers, the opportunity to directly question their Councillors, make observations on local issues, present petitions, but also hear from other organisations, such as the Police, who came and gave regular updates.

Members of the public could also listen to the decision making that took place by Councillors in respect of a range of local issues.

The case therefore for the re-establishment of the SAC has therefore been made many times and is backed up with significant public support.

As a consequence the Council now agrees to reinstate this important democratic body at the earliest opportunity.

Following a debate on the **Motion** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Motion was lost** by 9 votes to 35.

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36. MOTION SUBMITTED BY COUNCILLOR HARDY - SEXUAL VIOLENCE

It was moved by Councillor Hardy, seconded by Councillor Killen:

That Council notes:

- It is a great sadness and injustice that sexual violence, sexual harassment, and domestic abuse remain endemic in modern society.
- According to national crime statistics in the UK, on average one woman is killed by a man every three days.
- A 2021 YouGov national survey on behalf of UN Women UK found that among women aged 18-24, 97% said they had been sexually harassed, while 80% of women of all ages said they had experienced sexual harassment in public spaces.
- The ONS reported that last year alone 618,000 women were victims of a sexual assault or an attempted sexual assault by a man
- A recent OFSTED review into sexual harassment in schools has found that sexual harassment, including online sexual abuse, has become 'normalised' for children and young people.

Council recognises:

- *The work of SWACA, Sefton IDVA and RASA Merseyside in its work to support women and families in dealing with domestic abuse and sexual violence.*
- White Ribbon is a leading charity in the UK with a mission to end male violence against women and is part of the global White Ribbon movement which arose from a campaign started by men in Canada in 2004.

Council believes:

- Male violence against women and girls is part of a broader culture of misogyny in society.
- More focus should be placed on changing some men's behaviour rather than on promoting actions to women to make themselves safer.

Council resolves to:

- Encourage all councillors to take the White Ribbon pledge, never to take part in, condone or stay silent about violence against women.

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- As part of this, continue to mark White Ribbon Day on 25 November each year and encourage participation among councillors, council staff and local organisations.
- Build on the work of the recent Safer Together partnership Board and Domestic Abuse board to develop a clear strategic approach to look into how the council can support campaigns for the end of violence against women and the promotion of healthy relationships.
- Instruct the Chief Executive to write to the Secretary of State for Education and the Secretary of State for Digital, Culture, Media and Sport to request further work be done in support of all elements of this motion.
- Call out all forms of sexual objectification and all its negative outcomes and encourage others to do the same

Following a debate on the Motion the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the Motion was carried unanimously and it was resolved:

That Council notes:

- It is a great sadness and injustice that sexual violence, sexual harassment, and domestic abuse remain endemic in modern society.
- According to national crime statistics in the UK, on average one woman is killed by a man every three days.
- A 2021 YouGov national survey on behalf of UN Women UK found that among women aged 18-24, 97% said they had been sexually harassed, while 80% of women of all ages said they had experienced sexual harassment in public spaces.
- The ONS reported that last year alone 618,000 women were victims of a sexual assault or an attempted sexual assault by a man
- A recent OFSTED review into sexual harassment in schools has found that sexual harassment, including online sexual abuse, has become 'normalised' for children and young people.

Council recognises:

- *The work of SWACA, Sefton IDVA and RASA Merseyside in its work to support women and families in dealing with domestic abuse and sexual violence.*

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- White Ribbon is a leading charity in the UK with a mission to end male violence against women and is part of the global White Ribbon movement which arose from a campaign started by men in Canada in 2004.

Council believes:

- Male violence against women and girls is part of a broader culture of misogyny in society.
- More focus should be placed on changing some men's behaviour rather than on promoting actions to women to make themselves safer.

Council resolves to:

- Encourage all councillors to take the White Ribbon pledge, never to take part in, condone or stay silent about violence against women.
- As part of this, continue to mark White Ribbon Day on 25 November each year and encourage participation among councillors, council staff and local organisations.
- Build on the work of the recent Safer Together partnership Board and Domestic Abuse board to develop a clear strategic approach to look into how the council can support campaigns for the end of violence against women and the promotion of healthy relationships.
- Instruct the Chief Executive to write to the Secretary of State for Education and the Secretary of State for Digital, Culture, Media and Sport to request further work be done in support of all elements of this motion.
- Call out all forms of sexual objectification and all its negative outcomes and encourage others to do the same

37. MOTION SUBMITTED BY COUNCILLOR JONES - AMENDMENT TO THE CONSTITUTION, FULL COUNCIL DEBATES, RULE 220 OF CHAPTER 11 (OFFICERS AND MEMBERS)

It was moved by Councillor Jones, seconded by Councillor D'Albuquerque:

That Council notes that:

At its meeting held on Thursday, 21 April 2022, it considered a petition regarding "Save the Promenade in Crosby Coastal Park"; and that in accordance with Rule 220 of Chapter 11 of the Constitution the lead

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petitioner addressed the Council for a period of 5 minutes in support of the terms of the petition.

Again, and in accordance with Rule 220, the petition was discussed by Councillors for a period of 15 minutes. However, the first 13 minutes of the discussion was taken up by the Cabinet Member - Health and Wellbeing responding to the terms of the petition which left only 2 minutes for other Members of the Council to take part in the debate.

Council considers that it is essential that Cabinet Members or Chairs of Committees should respond, setting out their views, to petitioners and full Council. However, it is considered that this raises concerns about stifling debate as referred to above.

Council resolves that in order to allow a full debate to take place at Council meetings on petitions presented to it that Rule 220 of Chapter 11 (Officers and Members) of the Council's Constitution be amended by:

- (1) continuing to allow a representative of the petitioners a period of five minutes to present their petition;
- (2) allowing a period of ten minutes for Councillors to ask questions of the petitioner;
- (3) allowing a period of ten minutes for the Cabinet Member/Chair of Committee to present the Council's response to the terms of the petition; and
- (4) allowing a period of 15 minutes for all Councillors to debate the petition.

Background:

Rule 220 of Chapter 11 (Officers and Members) of the Council's Constitution states:

"FULL COUNCIL DEBATES

220. If a petition contains more than 500 signatures it will be debated by the full Council unless it is a petition asking for a senior council officer to give evidence at a public meeting. This means that the issue raised in the petition will be discussed at a meeting which all councillors can attend. The Council will endeavour to consider the petition at its next meeting, although on some occasions this may not be possible and consideration will then take place at the following meeting. The petition organiser will be given five minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of 15 minutes. The council will decide how to respond to the petition at this meeting. They may decide to take the action the petition requests, not to take the action requested for reasons put forward in the debate, or refer the matter to another decision-making body of the Council. Where the issue is one on

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which another Council body or Officer are required to make the final decision, the council will decide whether to make recommendations to inform that decision. The petition organiser will receive written confirmation of this decision”.

Following a debate on the **Motion** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Motion was lost** by 13 votes to 28.

38. MOTION SUBMITTED BY COUNCILLOR EVANS - SOUTHPORT DRIVING THEORY TEST CENTRE

It was moved by Councillor Evans, seconded by Councillor Pugh:

This Council Notes that:

- Learning to drive can have a significant impact on mobility and access for younger people and those in isolated communities.
- Taking a theory test is a required step before you are able to take your full driver's test. It also required for motorbikes, lorries, buses and coaches, including the Driver Certificate of Professional Competence (CPC) part 1a and 1b (theory) and part 2 (case studies).
- Learning to drive is an expensive process, cost on average £1,350 per person.
- Southport Theory Test Centre was based on the corner of Leicester Street and Gordon Street, Southport and closed in 2021 along with Test Centres in St. Helen's and Wigan.
- Accessing a theory test slot has become more difficult coming out of the pandemic as centres cope with the backlog.
- Following their closure, the two closest test centres are in Liverpool or Preston, over 45 minutes away by public transport, longer than the DVSA's claimed 40 minutes for urban residents.

This Council condemns the decision of the Driver and Vehicle Standards Agency and the Department for Transport in closing Southport Theory Test Centre, along with other nearby test centres.

This Council resolves to:

- Support the re-instatement and re-opening of a Theory Test Centre based in Southport.
- Write to the Secretary of State for Transport and the Chief Executive of the Driver and Vehicle Standards Agency, requesting the re-opening of a Theory Test Centre in Southport.

An **amendment** was moved by Councillor Prendergast, seconded by Councillor Brough that the Motion be amended by the deletion of the word “condemns” in the first line of the second paragraph of the Motion and its replacement with the word “regrets”.

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Following a debate on the **Amendment** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Amendment was lost** by 4 votes to 37.

Following a debate on the **Motion** the Chief Legal and Democratic Officer officiated a vote and the Mayor declared that the **Motion was carried** unanimously and it was resolved:

This Council Notes that:

- Learning to drive can have a significant impact on mobility and access for younger people and those in isolated communities.
- Taking a theory test is a required step before you are able to take your full driver's test. It also required for motorbikes, lorries, buses and coaches, including the Driver Certificate of Professional Competence (CPC) part 1a and 1b (theory) and part 2 (case studies).
- Learning to drive is an expensive process, cost on average £1,350 per person.
- Southport Theory Test Centre was based on the corner of Leicester Street and Gordon Street, Southport and closed in 2021 along with Test Centres in St. Helen's and Wigan.
- Accessing a theory test slot has become more difficult coming out of the pandemic as centres cope with the backlog.
- Following their closure, the two closest test centres are in Liverpool or Preston, over 45 minutes away by public transport, longer than the DVSA's claimed 40 minutes for urban residents.

This Council condemns the decision of the Driver and Vehicle Standards Agency and the Department for Transport in closing Southport Theory Test Centre, along with other nearby test centres.

This Council resolves to:

- Support the re-instatement and re-opening of a Theory Test Centre based in Southport.
- Write to the Secretary of State for Transport and the Chief Executive of the Driver and Vehicle Standards Agency, requesting the re-opening of a Theory Test Centre in Southport.

39. MOTION SUBMITTED BY COUNCILLOR PUGH - PUBLIC HEALTH PERFORMANCE FRAMEWORK

Councillor Pugh advised that he wished to withdraw his Motion from the agenda and that he would re-submit it to the next meeting of Council and it was:

RESOLVED:

COUNCIL- THURSDAY 14TH JULY, 2022

That the Motion in respect of the Public Health Outcomes Framework be withdrawn from the agenda and it be noted that Councillor Pugh would re-submit it to the next meeting of Council.

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Agenda Item 8

Report to:	Overview and Scrutiny Committee (Children's Services and Safeguarding) Cabinet Council	Date of Meeting:	5 July 2022 28 July 2022 29 September 2022
Subject:	Impact of Covid 19 on the Primary Curriculum Working Group - Final Report		
Report of:	Chief Legal and Democratic Officer	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Education		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To present formally the final report of the Impact of Covid 19 on the Primary Curriculum Working Group.

Recommendation(s):

- (1) That, once data is available, the Head of Education Excellence be requested to submit a monitoring report to the Overview and Scrutiny Committee (Children's Services and Safeguarding), on primary school performance, to include school attendance and any available information on SATs results, and other performance indicators, in order to draw comparisons with 2019 performance and also with regional and national performance.
- (2) That the Council be requested to agree in writing to all Headteachers of schools throughout the Borough, to thank teaching staff for their on-going input throughout the pandemic and to raise the following matters:
 - (a) to remind schools of the continued support available from the Council.
 - (b) to remind schools of the various options available for securing additional teaching staff, such as:
 - the graduate teaching apprenticeship scheme
 - School Centred Initial Teacher Training (SCITT)
 - Teach First
 - Degree course in Bachelor of Education (B.Ed.) and
 - a Post Graduate Certificate in Education (PGCE)

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- (c) to remind schools of the availability of mental health support, including the Young People’s Emotional Wellbeing Toolkit that can be accessed via the following link:

[Mental Health & Emotional Wellbeing \(sefton.gov.uk\)](https://sefton.gov.uk/mental-health-emotional-wellbeing)

- (d) to encourage schools to try to re-engage with families as a source of support in schools **where possible and where practical**, particularly given covid concerns.
- (3) That the Mayor of Sefton be requested to consider hosting an event for representatives of all schools throughout the Borough, to thank them for their on-going input throughout the pandemic.
 - (4) That the Council be requested to agree to writing to the Department for Education in the strongest terms, to request additional resources for Sefton schools, particularly in view of forthcoming literacy and numeracy expectations on primary schools by 2030.
 - (5) That the Senior Democratic Services Officer be requested to liaise with relevant officers in order to ensure that the Overview and Scrutiny Committee (Children’s Services and Safeguarding) receives a six-monthly monitoring report, setting out progress made against each of the recommendations outlined above.

Reasons for the Recommendation(s):

- 1. The Working Group has made a number of recommendations that require approval by the Overview and Scrutiny Committee (Children’s Services and Safeguarding); the Cabinet; and the Council.
- 2. Chapter 6 – Overview and Scrutiny – of the Council’s Constitution states that
 - “7. All Overview and Scrutiny Working Group Final Reports should be reported to Cabinet and full Council for final approval.”

Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative options were considered. The Overview and Scrutiny Committee (Children’s Services and Safeguarding) established the Working Group to review the impact of covid 19 on the primary curriculum and the Working Group has performed this task.

What will it cost and how will it be financed?

(A) Revenue Costs

The proposed Mayoral event referred to within the recommendations will have some limited associated costs. These can be contained within the Mayoral hospitality budget.

(B) Capital Costs

There are no capital cost implications arising for the Council as a direct result of this report.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): None</p>								
<p>Legal Implications: Chapter 6 – Overview and Scrutiny – of the Council’s Constitution states that</p> <p style="padding-left: 40px;">“7. All Overview and Scrutiny Working Group Final Reports should be reported to Cabinet and full Council for final approval.”</p>								
<p>Equality Implications: There are no equality implications.</p>								
<p>Climate Emergency Implications:</p> <p>The recommendations within this report will</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Have a positive impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">Have a neutral impact</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> <tr> <td style="padding: 2px;">Have a negative impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">The Author has undertaken the Climate Emergency training for report authors</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> </table> <p>There are no direct climate emergency implications arising from this report.</p>	Have a positive impact	No	Have a neutral impact	Yes	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
Have a positive impact	No							
Have a neutral impact	Yes							
Have a negative impact	No							
The Author has undertaken the Climate Emergency training for report authors	Yes							

Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable: The recommendations seek to support schools and teaching staff within schools. They also seek to provide recognition and support towards the duties associated with teaching and for the emotional wellbeing of teaching staff. This in turn, will contribute towards greater support and better learning outcomes for pupils within schools.</p>
<p>Facilitate confident and resilient communities: As above.</p>
<p>Commission, broker and provide core services: As above.</p>
<p>Place – leadership and influencer: As above.</p>
<p>Drivers of change and reform: As above.</p>
<p>Facilitate sustainable economic prosperity: Not applicable.</p>
<p>Greater income for social investment:</p>

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Not applicable.

Cleaner Greener: Not applicable.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Development Manager, Health and Wellbeing, was consulted during the course of the Working Group review.

The Head of Education and Service Manager, School Improvement, have been consulted in the preparation of this report.

The Executive Director of Corporate Resources and Customer Services (FD 6851/22) and the Chief Legal and Democratic Officer (LD 5051/22) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultations and discussions took place with the following during the course of the Working Group review:

- Headteacher, St. Nicholas' Primary School
- Headteacher, Netherton Moss Primary School
- Deputy Headteacher, Netherton Moss Primary School
- Chair of Sefton Association of Primary Headteachers
- Children and Families Development Officer, Sefton CVS

Implementation Date for the Decision

Immediately following the Council meeting.

Contact Officer:	Debbie Campbell
Telephone Number:	Tel: 0151 934 2254
Email Address:	debbie.campbell@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

The Final Report of the Mental Health Issues Working Group

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 At its meeting held on 7 September 2021, the Overview and Scrutiny Committee (Children's Services and Safeguarding) established a working group on the impact of Covid 19 on the primary curriculum. (Minute No. 22 (4) refers). The following Members of the Committee were appointed to the Working Group:
- Councillor Spencer (Lead Member)
 - Former Councillor Yvonne Sayers
 - Mrs. S. Cain, Independent Advisory Member
 - Ms. M. McDermott, Parent Governor Representative
- 1.2 The Working Group agreed the following terms of reference and objectives for the review:
- To consider the impact of Covid 19 on the primary curriculum, to include the consideration of the impact of lockdown and remote learning.
- 1.3 The Final Report of the Working Group is attached for consideration. The Overview and Scrutiny Committee (Children's Services and Safeguarding); the Cabinet; and the Council are requested to support the contents of the Working Group Final Report and to approve the recommendations contained therein.

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**OVERVIEW AND SCRUTINY COMMITTEE
(CHILDREN'S SERVICES AND SAFEGUARDING)**



**IMPACT OF COVID 19 ON PRIMARY CURRICULUM
WORKING GROUP**

**FINAL REPORT
JULY 2022**

Overview
& Scrutiny



Overview & Scrutiny



**'Valuing
Improvement'**

www.sefton.gov.uk
scrutiny@sefton.gov.uk

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LEAD MEMBER'S INTRODUCTION

I am very pleased to introduce this Overview and Scrutiny Report on the impact of covid 19 on the primary curriculum.

The Working Group was set up to look at the impact of education for our primary school children in Sefton against the backdrop of the Covid-19 pandemic. We have all endured lockdowns and restrictions to our day-to-day living during the last few months, and concerns were held for our younger children who had missed the full educational experience through no fault of their own.

This has also been a particularly challenging time for our teachers and everyone within the education system.

The Working Group has sought the views of headteachers, mental health experts and the voluntary sector establishing the main issues that have arisen in primary schools in particular, following successive lockdowns.

We also considered possible measures to support our teaching staff which in turn, we hope will impact on the support our teachers are able to offer to the children of Sefton and help reduce some of the issues that have arisen since the pandemic.

I would like to thank everyone who took part in interviews and submitted information that helped inform the Working Group. I am grateful to the Working Group Members for their commitment and efforts in looking at this issue. Finally, I would like to thank our support officers for their assistance and professional support provided to the Working Group and for producing this final report on behalf of Members.



Councillor Paula Spencer
Lead Member of the Mental Health Issues Working Group

Vice-Chair of Overview and Scrutiny Committee
(Children's Services and Safeguarding)

BACKGROUND TO REVIEW

1. At its meeting held on 7 September 2021, the Overview and Scrutiny Committee (Children's Services and Safeguarding) considered the establishment of a working group on the impact of Covid 19 on the primary curriculum. The Committee:

"RESOLVED: That

(4) a working group on the impact of Covid 19 on the primary curriculum be established, to include the consideration of the impact of lockdown and home schooling, comprised of the following Members of the Committee:"

(Minute No. 22 (4) of 28 September 2021 refers).

MEMBERSHIP OF WORKING GROUP

The following Members were appointed to the Working Group by the Overview and Scrutiny Committee (Children's Services and Safeguarding) at its meeting held on 28 September 2020:

- Councillor Spencer
- Councillor Yvonne Sayers
- Mrs. S. Cain, Independent Advisory Member
- Ms. M. McDermott, Parent Governor Representative

LEAD MEMBER

Councillor Spencer was appointed as the Lead Member for the Working Group and it is anticipated that she will present the final report to the Committee; to the Cabinet and to the Council.

TERMS OF REFERENCE AND OBJECTIVES

The Terms of Reference and Objectives for the review were as follows:

- To consider the impact of Covid 19 on the primary curriculum, to include the consideration of the impact of lockdown and remote learning.

METHODS OF ENQUIRY

1. Consideration of documents.
2. The interviewing of service providers.



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3. Site visits.
4. Consideration of documents.

SUMMARY OF MEETINGS OF THE WORKING GROUP HELD

Details of Working Group meetings are as follows:

Meeting Date	Activity
9 November 2021	Appointment of lead Member and scoping of the review.
2 December 2021	Discussion with headteachers.
19 January 2022	Discussion on the Mental Health Toolkit for schools.
8 February 2022	Discussion with the Chair of the Sefton Association of Primary Headteachers.
28 March 2022	Consideration of Conclusions and Identification of Possible Recommendations

SITE VISITS

Plans were made for Working Group Members to visit St. Nicholas' Primary School, Blundellsands on 25 January 2022. Unfortunately, the visit had to be cancelled due to the prevalence of the Omicron variant at the time.

Details of the site visit undertaken by Working Group Members are as follows:

Date of Site Visit	Venue Visited
23 March 2022	Site Visit to Netherton Moss Primary School to meet with members of staff and pupils, to hear about the impact of Covid on the primary curriculum. A tour of the School was also undertaken.

BACKGROUND DOCUMENTS

The following links to articles were provided to Working Group Members during the course of the review:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1027745/COVID-19_Snapshot_Report.pdf

https://nfer.ac.uk/media/4435/the_impact_of_covid_19_on_schools_in_england.pdf

https://educationendowmentfoundation.org.uk/projects-and-evaluation/projects/nfer-impact-of-school-closures-and-subsequent-support-strategies-on-attainment-and-socioemotional-wellbeing-in-key-stage-1?search_term=impact%20of

<https://www.oecd.org/education/the-impact-of-covid-19-on-education-insights-education-at-a-glance-2020.pdf>

<https://educationendowmentfoundation.org.uk/guidance-for-teachers/covid-19-resources/best-evidence-on-impact-of-covid-19-on-pupil-attainment>

<https://www.weforum.org/agenda/2020/03/infographic-covid19-coronavirus-impact-global-education-health-schools/>

https://www.nfer.ac.uk/media/4119/schools_responses_to_covid_19_the_challenges_facing_schools_and_pupils_in_september_2020.pdf

<https://www.gov.uk/government/statistics/attendance-in-education-and-early-years-settings-during-the-coronavirus-covid-19-pandemic-23-march-2020-to-25-november-2021>

<https://www.nuffieldtrust.org.uk/news-item/what-has-been-the-impact-of-covid-19-across-the-uk-countries>

<https://www.nuffieldfoundation.org/project/impact-of-covid-19-mainstream-schools-england>

KEY WITNESSES

Working Group Members met with a number of key witnesses, including the following:

Meeting Date	Witness(es)
2 December 2022	Headteachers – Interviews regarding their experiences during lockdowns and the current situation in schools.
19 January 2022	Development Manager, Health and Wellbeing Children and Families Development Officer, Sefton CVS – Discussion on the mental health toolkit for schools.
8 February 2021	Discussions with the Chair of Sefton Association of Primary



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	Headteachers, to hear about her experiences and the challenges being faced in schools.
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IMPACT OF COVID-19 ON THE WORKING GROUP REVIEW

Ordinarily, Working Group Members would have undertaken further site visits to relevant premises/locations during the course of the review, but this was not possible due to the on-going pandemic throughout the duration of the Working Group.

KEY FINDINGS AND CONCLUSIONS

1. The Head of Education has advised that there is no data available on primary school performance, including SATS results and outcomes of any testing at Key Stages 1 and 1, as data has not been published due to the pandemic. This has resulted in difficulties in monitoring performance, particularly in primary schools. Working Group Members considered that the Overview and Scrutiny Committee (Children's Services and Safeguarding) would wish to receive data which would assist in , in drawing comparisons with 2019 pre-pandemic performance and also with regional and national performance. This would illustrate Sefton primary school performance.
2. Working Group Members considered that it was very important for the Council to recognise the hard work schools faced during successive lockdowns. Not only did teachers have to provide on-line learning, a very difficult achievement with young children, they also had to provide learning for children of key workers who were physically attending school whilst their parents provided vital services.

By writing to schools to thank them for their efforts during the pandemic, Working Group Members also considered that this would provide an opportunity to remind schools of the continued support available from the Council; of the various options available for securing additional teaching staff; and the availability of mental health support, including the Young People's Emotional Wellbeing Toolkit.

Many supply teachers left their positions during lockdown as they were not provided with furlough payments. This has been problematic since children returned to school as there has been a shortage of supply teachers to help cover when teaching staff have succumbed to covid and long-term covid symptoms. Working Group Members felt that it might be beneficial to remind schools of the opportunities to secure additional teaching staff.

Working Group Members found that the very beneficial activities provided at family centres pre-covid have been slow to resume following the pandemic and they considered that schools should be encouraged to resume this



mutual support **where possible and where practical**, particularly given any on-going covid concerns.

3. Following the initial lockdown, Council workers were awarded an additional day's leave for their birthday during 2021, in recognition of their hard work and the continued provision of services by the Council.

On 15 July 2021, the Council agreed to grant the Freedom of the Borough to Aintree and Liverpool NHS Foundation Trust, Southport and Ormskirk NHS Trust, Alder Hey Children's NHS Trust and Mersey Care NHS Trust and for representatives of those bodies to be invited to an Extra-ordinary Council meeting and civic reception in due course, in recognition of their hard work and dedication during the Covid-19 pandemic.

Teaching staff have not been recognised in the same way for their hard work and dedication during the pandemic and Working Group Members wish to celebrate the achievement of teaching staff in Sefton.

4. By the conclusion of the Working Group, Members were concerned to hear of the forthcoming literacy and numeracy expectations on primary schools by 2030, particularly as most schools are already going "above and beyond" in terms of the teaching hours they offer to pupils. Schools are at a loss to know how they can deliver additional learning without additional resources.
5. The usual six-monthly monitoring report, setting out progress made against each of the Working Group recommendations, would be required in due course. Relevant officers would be required to liaise in order to ensure that the Overview and Scrutiny Committee (Children's Services and Safeguarding) received the monitoring report.

ACKNOWLEDGEMENTS AND THANKS

In producing this report on mental health issues, acknowledgements and thanks are attributed to the following individuals for their time and input:-

- *Service Manager, School Improvement*
- *Head of Education*
- *Senior Democratic Services Officer, Corporate Services*
- *Headteacher, St. Nicholas' Primary School*
- *Headteacher, Netherton Moss Primary School*
- *Deputy Headteacher, Netherton Moss Primary School*
- *Development Manager, Health and Wellbeing*



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- *Children and Families Development Officer, Sefton CVS*
- *Chair of Sefton Association of Primary Headteachers*
- *Pupils of Netherton Moss Primary School*

Thanks must also go to the Members of the Working Group who have worked hard and dedicated a great deal of time to this review, namely:-



***Councillor Paula
Spencer
(Lead Member)***

***Former Councillor
Yvonne Sayers***

***Mrs. Sandra Cain
Advisory Member***

***Ms. Machalla McDermott
Parent Governor Representative***



RECOMMENDATIONS

1. That, once data is available, the Head of Education Excellence be requested to submit a monitoring report to the Overview and Scrutiny Committee (Children's Services and Safeguarding), on primary school performance, to include school attendance and any available information on SATs results, and other performance indicators, in order to draw comparisons with 2019 performance and also with regional and national performance.
2. That the Council be requested to agree in writing to all Headteachers of schools throughout the Borough, to thank teaching staff for their on-going input throughout the pandemic and to raise the following matters:
 - (a) to remind schools of the continued support available from the Council.
 - (b) to remind schools of the various options available for securing additional teaching staff, such as:
 - the graduate teaching apprenticeship scheme
 - School Centred Initial Teacher Training (SCITT)
 - Teach First
 - Degree course in Bachelor of Education (B.Ed.) and
 - a Post Graduate Certificate in Education (PGCE)
 - (c) to remind schools of the availability of mental health support, including the Young People's Emotional Wellbeing Toolkit that can be accessed via the following link:

[Mental Health & Emotional Wellbeing \(sefton.gov.uk\)](https://sefton.gov.uk/mental-health-emotional-wellbeing)
 - (d) to encourage schools to try to re-engage with families as a source of support in schools **where possible and where practical**, particularly given covid concerns.
3. That the Mayor of Sefton be requested to consider hosting an event for representatives of all schools throughout the Borough, to thank them for their on-going input throughout the pandemic.
4. That the Council be requested to agree to writing to the Department for Education in the strongest terms, to request additional resources for Sefton schools, particularly in view of forthcoming literacy and numeracy expectations on primary schools by 2030.
5. That the Senior Democratic Services Officer be requested to liaise with relevant officers in order to ensure that the Overview and Scrutiny Committee (Children's Services and Safeguarding) receives a six-monthly monitoring report, setting out progress made against each of the recommendations outlined above.

Overview & Scrutiny



For further Information please contact:-

Debbie Campbell

Senior Democratic Services Officer

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Sefton Council 



Agenda Item 9

Report to:	Cabinet Council	Date of Meeting:	1 September 2022 29 September 2022
Subject:	Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 – September Update		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Leader of the Council		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To inform **Cabinet / Council** of:

- 1 The current position relating to the 2022/23 revenue budget.
- 2 The current forecast on Council Tax and Business Rates collection for 2022/23.
- 3 The monitoring position of the Council's capital programme to the end of July 2023:
 - The forecast expenditure to year end.
 - Variations against the approved budgets and an explanation of those variations for consideration by Members.
 - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

Recommendation(s):

Cabinet is recommended to:

Revenue Budget

- 1) Note the current position relating to the 2022/23 revenue budget.
- 2) Note the Remedial Action Plan to offset the budget pressures being faced in 2022/23.
- 3) Recommend to Council the release of £1.666m from the Business Rates Income Reserve.
- 4) Recognise the financial risks associated with the delivery of the 2022/23 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved.

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- 5) Note the current position relating to the High Needs budget and that officers are currently reviewing all options available to the Council to mitigate the additional pressure and to make the overall High Needs budget financially sustainable.

Capital Programme

- 6) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).
- 7) Note the latest capital expenditure position as at 31 July 2022 of £7.535m (paragraph 7.5); the latest full year forecast is £42.814m (paragraph 7.6).
- 8) Note explanations of variances to project budgets (paragraph 7.1).
- 9) Recommend to Council the approval of a supplementary capital estimate for £2.000m for Core Disabled Facilities Grants (paragraph 7.11).
- 10) Recommend to Council a supplementary revenue estimate of £1.064m for the City Region Sustainable Transport Settlement support grant (paragraph 7.13.1).
- 11) Approve a supplementary capital estimate of £0.759m for the Maritime Corridor and Southport Eastern access schemes (paragraph 7.13.2).
- 12) Approve a supplementary capital estimate of £0.577m for Section 106 funding for Highways Capital schemes (paragraph 7.13.3).
- 13) Approve a supplementary capital estimate of £0.468m for projects on the Key Route Network (paragraph 7.13.4).
- 14) Recommend to Council a supplementary capital estimate of £1.620m for Tranche 3 of the Active travel Fund (paragraph 7.13.5).
- 15) Recommend to Council a supplementary capital estimate of £4.789m for the Highways Maintenance budget 2022/23 (paragraph 7.13.7).
- 16) Recommend to Council a supplementary capital estimate of £0.188m for Corporate Essential Maintenance funded from capital receipts (paragraph 7.37).
- 17) Note that capital resources will be managed by the Executive Director Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraph 7.40).

Council is recommended to:

Revenue Budget

- 18) Note the current position relating to the 2022/23 revenue budget.
- 19) Approve the actions included in the Remedial Action Plan to offset the budget pressures being faced in 2022/23 including the use of £2.9m of General Balances and the release of £1.666m from the Business Rates Income Reserve.
- 20) Recognise the financial risks associated with the delivery of the 2022/23 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed to ensure a balanced forecast outturn position and financial sustainability can be achieved.
- 21) Note the potential implications on the Medium-Term Financial Plan for 2023/24 and 2024/25.

Capital Programme

- 22) Approve a supplementary capital estimate for £2.000m for Core Disabled Facilities Grants (paragraph 57.11).
- 23) Approve supplementary revenue estimate of £1.064m for the City Region Sustainable Transport Settlement support grant (paragraph 7.13.1).
- 24) Approve a supplementary capital estimate of £1.620m for Tranche 3 of the Active

- travel Fund (paragraph 7.13.5).
- 25) Approve a supplementary capital estimate of £4.789m for the Highways Maintenance budget 2022/23 (paragraph 7.13.7).
 - 26) Approve a supplementary capital estimate of £0.680m for Phase 1 of the Strand Repurposing project funded from the Economic Recovery Earmarked Reserve as recommended by Cabinet in July (paragraph 7.18).
 - 27) Approve a supplementary capital estimate of £0.171m for the completion of the Crosby Lakeside Adventure Centre improvements, funded from the Economic Recovery Earmarked Reserve as recommended by Cabinet in July (paragraph 7.22).
 - 28) Approve a supplementary capital estimate of £3.782m for the Summerhill Primary School Expansion – Phase 1 scheme funded by Section 106 contributions (paragraph 7.25).
 - 29) Approve a Supplementary Capital Estimate of £69.1m for the Marine Lake Events Centre (MLEC) to be funded by: £31.7m from the Town Deal; £17.7m from the Liverpool City Region Combined Authority; and £19.7m to be funded by the Council as recommended by a separate report to Cabinet in September (paragraph 7.29).
 - 30) Note that, in addition to the £69.1m identified above, £1.6m and £2.3m of pre-development funding, from the Town Deal and the Liverpool City Region Combined Authority respectively, has already been included within the Capital Programme as approved by Council in September 2021. Therefore, the total capital scheme for the MLEC is £73m and this is the total value of the scheme which will be included within the Capital Programme.
 - 31) Note that the finance arrangements for the Council's contribution of £19.7m to the MLEC will be agreed following consultation with the Council's Treasury Management advisors and reported to Cabinet through the quarterly Treasury Management reports and the final proposal will be included within the Budget Report.
 - 32) Approve delegated authority for the completion and signing of Grant Funding Agreement of £17.7m from the Liverpool City Region Combined Authority to the Chief Executive and the Executive Director of Corporate Resources and Customer Services, in consultation with the Executive Director (Place), the Cabinet Member for Regeneration and Skills and Cabinet Member for Regulatory, Compliance and Corporate Services, should it be formally approved by the Liverpool City Region Combined Authority.
 - 33) Approve delegated authority to approve the Grant Funding Agreement of £33.3m from the Southport Town Deal, following Full Business Case approval, to the Chief Executive and the Executive Director of Corporate Resources and Customer Services, in consultation with the Executive Director (Place), the Cabinet Member for Regeneration and Skills and Cabinet Member for Regulatory, Compliance and Corporate Services; should it be formally approved by Government.
 - 34) Approve a supplementary capital estimate of £3m for the Southport Pier Decking Project funded from prudential borrowing as recommended by report to Cabinet in September (paragraph 7.34).
 - 35) Note that the annual cost of borrowing for the Southport Pier Decking Project will be £0.178m and it be agreed that this is added as a growth item to the Council's medium term financial plan and as such will be funded as part of the 2023/24 budget plan.
 - 36) Approve a supplementary capital estimate of £0.188m for Corporate Essential Maintenance funded from capital receipts (paragraph 7.37).

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Reasons for the Recommendation(s):

To ensure Cabinet are informed of the current position in relation to the 2022/23 revenue budget.

To provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

To keep members informed of the progress of the Capital Programme against the profiled budget for 2022/23 and agreed allocations for future years.

To progress any changes that are required in order to maintain a relevant and accurate budget profile necessary for effective monitoring of the Capital Programme.

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council's overall capital strategy.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2022/23 an overspend position of £0.046m is currently forecast after mitigating actions have been implemented to ensure the Council currently remains in a financial sustainable position.

(B) Capital Costs

The Council's capital budget in 2022/23 is £42.777m. As at the end of July 2022 expenditure of £7.535m has been incurred and a full year outturn of £42.814m is currently forecast.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Currently an overspend position of £0.046m is forecast for 2022/23 after mitigating actions have been implemented to ensure the Council currently remains in a financial sustainable position. However, it should be noted that significant pressure and risk remains, particularly relating to Children's Social Care and energy costs. If these budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings will need to be identified.

Legal Implications:

None

Equality Implications: There are no equality implications.	
Climate Emergency Implications: The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N
The allocations of capital funding outlined in section 7 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.	

Contribution to the Council's Core Purpose:

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

<u>Protect the most vulnerable:</u> See comment above
<u>Facilitate confident and resilient communities:</u> See comment above
<u>Commission, broker and provide core services:</u> See comment above
<u>Place – leadership and influencer:</u> See comment above
<u>Drivers of change and reform:</u> See comment above
<u>Facilitate sustainable economic prosperity:</u> See comment above
<u>Greater income for social investment:</u> See comment above
<u>Cleaner Greener:</u> See comment above

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What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD 6904/22)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5104/22).

(B) External Consultations

N/A

Implementation Date for the Decision

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

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Appendices:

The following appendix is attached to this report:

APPENDIX A – Capital Programme 2022/23 to 2024/25

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 On 3 March 2022, Members approved the Budget for the financial year 2022/23. This budget was developed throughout the preceding nine months and took account of all known issues. Within that report, and as with previous years, the inherent financial risk within the budget, especially with respect to Children's Services, was identified. This was further reflected within the reserves' strategy for the Council.
- 1.2 A report to June's Cabinet and Council on 14 July, provided an update for Members of the financial position with the Council for events that had materialised since the budget was approved in March, including the increased cost of providing Children's Services and the increase in energy costs affecting the Council from global price increases. A remedial action plan was presented in the report and approved by Council.
- 1.3 The report to July's Cabinet outlined that pressures continued across a number of service areas, that an overspend in the region of £2.2m was forecast and that remedial actions would be put in place and presented to this Committee to ensure a balanced forecast outturn position and financial sustainability would be achieved.
- 1.4 This report is the second of the Council's monthly budget monitoring reports and updates the revenue forecast outturn position for all services, including the pressures previously identified in the June and July reports.
- 1.5 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.6 The capital section of the report informs Members of the latest estimate of capital expenditure for 2022/23 and forecast expenditure for 2023/24 and 2024/25. The capital budget to date is presented in paragraph 7.1. Paragraphs 7.2 to 7.8 review progress of the capital programme. Finally, paragraphs 7.38 to 7.40 confirm that there are adequate levels of resources available to finance the capital programme.

2. Revenue Budget 2022/23 – Forecast Outturn Position as at the end of July 2022

- 2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July.
- 2.2 The report to Cabinet in June 2022 highlighted the significant financial pressures being faced by the Council relating to Children's Social Care and energy costs. A remedial action plan was approved to meet these estimated costs during 2022/23. These are included in the forecast outturn position below.
- 2.3 The report to Cabinet in July 2022 outlined that pressures had continued in several service areas and a net overspend of £2.197m was forecast. It was acknowledged that the July report was the first full budget monitoring report of the year, so forecasts included a number of assumptions on anticipated expenditure and income for the remainder of the year. It was also outlined that a full review of budgets and

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assumptions would be undertaken to refine the forecasts for this report and would outline remedial actions to be implemented to ensure a balanced forecast outturn position, potentially including the adoption of financial principles used in previous years.

- 2.4 The review of budgets and assumptions has resulted in forecasts in some service areas being reduced. However, there has been a significant worsening of the position relating to Children's Social Care accommodation costs as well as the impact of the potential local government pay award (these are both discussed below). As at the end of July 2022, the forecast outturn shows a net overspend of **£7.743m**. As with all organisations at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council achieves a balanced forecast outturn position to ensure its financial sustainability. Proposals to meet this forecast overspend are outlined in paragraphs 2.7 to 2.11.
- 2.5 The table below highlights the variations across services that make up the £7.743m forecast overspend:

	Budget	Forecast Outturn	Variance	Variance to June
	£m	£m	£m	
Services				
Strategic Management	4.024	4.036	0.012	0.003
Adult Social Care	102.055	102.055	0.000	0.000
Children's Social Care	52.151	64.246	10.895	2.540
Communities	17.591	17.488	-0.103	-0.646
Corporate Resources	5.407	5.204	-0.203	-0.025
Economic Growth & Housing	6.583	6.545	-0.038	-0.115
Education Excellence	11.296	12.257	0.961	0.041
Health & Wellbeing	19.349	19.123	-0.226	-0.226
Highways & Public Protection	11.364	11.261	-0.103	0.016
Operational In-House Services	14.867	15.688	0.821	0.031
Energy Costs	0.000	4.300	4.300	0.000
Additional Pay Award Provision	0.000	4.100	4.100	4.100
Total Service Net Expenditure	244.687	259.384	20.416	5.719
Council Wide Budgets	0.180	0.180	-0.173	-0.173
Levies	35.222	35.222	0.000	0.000
General Government Grants	(72.356)	(72.356)	0.000	0.000
Remedial Action Plan	0.000	-12.500	-12.500	0.000
Total Net Expenditure	207.733	209.930		
Forecast Year-End Deficit			<u>7.743</u>	<u>5.546</u>

2.6 The key areas relating to the outturn position are as follows:

- **Adult Social Care** – The current forecast assumes that the Adult Social Care budget will break-even during 2022/23. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end. This budget has historically underspent each financial year therefore, officers are continuing to review the forecasts and assumptions to ensure that any potential flexibility or otherwise is raised as early as possible in the financial year given the issues facing the Council.
- **Children's Social Care** – The current forecast shows a potential overspend of £10.895m, a significant increase in the figure of £8.355m reported to Cabinet in July.

As has been regularly reported over the last three years, the cost of accommodation is the largest risk to the Council's budget position. Since the July report a number of additional high-cost placements have had to be entered into which have contributed to the increase in the forecast. Since the budget was set in March there has been an increase in Independent Residential Placements from 69 to 74. In addition, there are now more cases requiring high-cost accommodation and support than previously, and the costs of these have also risen significantly. Some new cases are now initially costing £24,000 per week. There are currently 621 cared for children and a further 419 children on child protection plans.

The current forecast assumes that these costs will continue for a number of months. Work is currently being undertaken to understand if any of these cases will continue beyond this and the impact this would have on the current forecast – this could potentially be a further £2m - £3m of additional budget pressure and an update will be provided for the next report in October along with a clear plan on how this will be funded.

The Council is currently working on developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting the most vulnerable residents, but this budget remains under pressure and purely from a financial point of view this is likely to continue during this year and into the next financial year.

- **Education Excellence** – The current forecast shows a potential overspend of £0.961m relating to Home to School Transport. There has been an increase in the number of children being transported, especially relating to out of borough placements. In addition, there has been an increase in the cost of providing the transport.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.821m. This relates to a number of areas across the Service, including forecast shortfalls in income on Burials and Cremations, Catering, Green Sefton activities (mainly golf courses) and vehicle maintenance.
- **Energy Costs** – As reported in June, the global increase in energy prices is having a significant impact on the Council's energy and fuel costs. This is currently

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estimated at £4.300m and is being closely monitored as more information becomes available from the Council's framework providers on the fees being paid. It should be noted that this is a national issue affecting all local authorities. However, the Government have advised that no additional funding will be made available for local government, despite representations made both nationally and locally,

- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 202/23 pay award of 3%. This was line with most other local authorities who had budgeted for between 2.5% and 3% (and when the Spending Review 2021 was published, the Office for Budget Responsibility was forecasting inflation to be 4% in 2022). On 25 July 2022, the National Employers for local government services body made an offer to trade unions of a fixed increase of £1,925 (plus an additional day's annual leave from April 2023). For Sefton, this equates to an increase in the pay bill of about 6.5% or an additional £4.100m above the amount included in the 2022/23 budget. It should be noted that this is the latest offer and has yet to be accepted by Trade Unions – any increase in the offer will therefore require additional resources to be identified. As previously mentioned for energy costs, this is a national issue for local government however Government have made it clear that no additional funding will be made available.

From the above it can be seen that additional pressures of about £20.2m are being experienced and this mainly reflects the pressure in Children's Social Care and that experienced from energy costs and the additional pay award. Whilst the pressure on Children's Social Care can be deemed to be Sefton specific (although many of the causes are being seen nationally, e.g., increases in numbers of Looked After Children and increases in accommodation costs), the energy and pay award pressures of £8.4m are impacting on all local authorities. These costs were not reflected in the funding provided as part of the Local Government Finance Settlement for 2022/2023 and the Government has made it clear than no additional funding will be made available, meaning the Council needs to make remedial plans to meet these pressures.

Remedial Action Plan

- 2.7 Given the scale of the current forecast deficit it is proposed to utilise one-off resources to enable a balanced forecast outturn position to ensure its financial sustainability. The sources of these resources are:

Emergency Funding

- 2.8 The Council received unringfenced Emergency Funding from the Government in 2020/21 and 2021/22 to help with the costs associated with the COVID19 pandemic. As has been regularly reported, the Council has utilised this funding to offset costs as well as the loss of income from Council Tax, Business Rates and Sales, Fees and Charges. It is now proposed to utilise **£1.700m** of the remaining funding to fund some of the pressures in 2022/23.

Reduction in General Fund Balances

- 2.9 The Robustness Report approved by Budget Council in March highlighted that given the risks faced by the Council, the level of General Balances should be set at 6.5% of the Council's net revenue budget. An element of this related to the rising demand for Children's Social Care as well as economic uncertainty faced by the

Council. It is therefore proposed to reduce balances to 5% (the minimum level of balances that should be held by the Council regardless of the level of economic uncertainty). The remedial action plan approved in June included the use of £0.700m of General Balances, therefore reducing Balances by 1.5% would allow a further **£2.900m** to be utilised.

- 2.10 Given the current environment and financial risks faced by the Council, it is considered imperative that the Council increases Balances at the earliest opportunity from 2023/24 to reflect these risks. In the event that the financial position of the Council improves compared to this latest forecast, e.g., through an underspend on Adult Social Care, there will be a corresponding reduced call on general balances.

Review of Earmarked Reserves

- 2.11 Officers have undertaken a review of Earmarked Reserves to determine if any are no longer required for their original purpose and can be released to support the in-year pressures. The exercise has identified **£3.100m** of reserves that can be released, the most significant are:
- Business Rates Income Reserve – the Council maintains a reserve to allow for the timing of S31 grants to be managed across years, as well as fluctuations in Business Rates income. A review of the reserve has identified that £1.666m can be released. In line with Financial Procedure Rules (FPRs) Cabinet is requested to recommend to Council the release of this reserve.
 - Local Authority EU Exit Preparation Grant – The Council received funding in 2018/19 and 2019/20 to assist with any costs incurred relating to the United Kingdom's exit from the European Union. After funding all known costs, £0.427m can now be released. In line with the FPR's this has been approved by the S151 Officer in consultation with the Chief Executive.
 - COVID-19 New Burdens Grant Funding – the Council received a number of different strands of new burdens funding relating to the administration of various programmes on behalf of the Government. Due to some of the administration being undertaken by existing staff, and after funding all known costs, £0.300m can now be released as this grant is not ringfenced. In line with the FPR's this has been approved by the S151 Officer in consultation with the Chief Executive.
 - Other Earmarked Reserves – in addition, a number of smaller reserves totalling £0.700m can now be released. In line with the FPR's these have been approved by the S151 Officer.

Summary 2022/23

- 2.12 After the implementation of the remedial actions above, an overspend of £0.046m is currently forecast. This represents the current position that has been forecast to the year end- in the event that further pressure is experienced, further remedial action will be required. However, as a result of using the options above, and those previously approved in June, there is no flexibility left for the use of existing reserves and general balances- as a result this pressure will need to be met from within the existing Council budget and delivery monitored carefully and reported to Cabinet. Any remedial action required will need to consider the adoption of financial principles used in previous years.

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3. **Medium Term Financial Planning**

- 3.1 The report to Cabinet in June / Council in July highlighted that the pressures in Children's Social Care, as well as increased Energy costs, would have a significant ongoing impact on the Council's budget in 2023/24 and 2024/25. Whilst some of this pressure was considered to be temporary, much would be permanent.
- 3.2 The report also highlighted that there would be additional pressures from 2023/24 as a result of potential increases in the National Living Wage and the impact that this would have on both the Council pay structure as well as external providers, particularly in Adult Social Care. In addition, the current high levels of inflation would lead to significant pressure on many areas of the Council.
- 3.3 The ongoing impact of the current 2022/2023 pay award offer will now also need to be met in 2023/24 given it has been funded from one-off resources in 2022/23. In addition, the Council will need to assess the ongoing impact of the additional pressures reported this month in Children's Social Care as well as other service areas.
- 3.4 Based on all of these issues, the Council's Medium-Term Financial Plan (MTFP) will start to be refined and updated, however it is clear that based on this update, budget proposals will need to be developed for implementation from April 2023 (pending further Central Government advice on future funding levels) in order that the Council maintains financial sustainability. This will not be easy with extremely tight financial constraints being in existence and demand for Council services increasing continually (and councils being asked to carry out more functions); however, it is essential that this planning commences from this point. The annual comprehensive Medium-Term Financial Plan will be presented to Cabinet in October 2022.

4. **Council Tax Income – Update**

- 4.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £150.008m for 2022/23 (including Parish Precepts), which represents 84% of the net Council Tax income of £178.590m.
- 4.2 The forecast outturn for the Council at the end of July 2022 is a surplus of -£1.797m. This variation is primarily due to: -
 - The surplus on the fund at the end of 2021/22 being higher than estimated (-£0.517m).
 - Gross Council Tax Charges in 2022/23 being higher than estimated (-£0.266m).
 - Exemptions and Discounts (including a forecasting adjustment) being lower than estimated (-£1.014m).

4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.

4.4 A forecast surplus of £2.022m was declared on the 15 January 2022 of which Sefton's share is £1.699m (84.1%). This is the amount that will be recovered from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

5. **Business Rates Income – Update**

5.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £56.664m for 2022/23, which represents 99% of the net Business Rates income of £57.236m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

5.2 The forecast outturn for the Council at the end of July 2022 is a surplus of -£6.598m on Business Rates income. This is due to:

- The deficit on the fund at the end of 2022/23 being lower than estimated (-£0.091m).
- Increase in the gross charge on rateable properties (-£1.068m).
- A number of reliefs announced for 2022/23 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be less than anticipated (-£5.439m).

5.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £1.244m is forecast.

5.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2022/23 but will be carried forward to be recovered in future years.

5.5 A forecast deficit of £18.702m was declared in January 2022. Sefton's share of this is £18.515m. This is the amount that will be distributed from the Collection Fund in 2022/23. Any additional surplus or deficit will be distributed in 2023/24 and future years.

6. **High Needs Budget**

6.1 A report was presented to Cabinet in July regard to the High Needs budget and the changes that are proposed, details of sufficiency planning, the Council's engagement on the Delivering Better Value Programme and the current high needs deficit and the risk around future central government decision making in respect of this deficit.

6.2 In light of these factors, the SEND green paper, the commencement of the Delivering Better Value Programme and the potential changes to accounting

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treatment of these high needs deficits that exist in a substantial number of councils in England, it was proposed that a monthly financial forecast be presented to Cabinet each month that reflects financial performance against budget and remedial planning - this would be considered alongside the wider quarterly performance report that will be presented to Cabinet and Council.

- 6.3 The High Needs Quarterly Update report presented to Cabinet in July outlined that the overspend on the High Needs budget in 2021/2022 was £4.2m resulting in an accumulated deficit of £12.5m at the end of 2021/22. The report also highlighted that a deficit for 2022/23 was forecast to be between £2.3m - £4.0m.
- 6.4 Given the increase in placements in September 2022, the current forecast overspend will be at least £2.9m, despite the provision of additional places at Sefton specialist provision schools from September. Between April and September, there has been an increase of 52 children placed at our specialist schools / SEND resource units, 172 additional EHCPs (total now 2,437 with 150 in progress) and an further 18 out of borough placements. The position is exacerbated by the additional pressures from currently proposed pay awards for 2022/23, particularly at the non-specialist provision schools where any additional cost has to be met from the High Needs budget as schools are only required to make a fixed contribution per qualifying pupil.
- 6.5 In light of the current position officers are reviewing all options available to the Council to mitigate this additional pressure during the current year and to reduce the impact on the High Needs deficit. This will include accelerating the proposals reported to members in the July Cabinet paper and determining new proposals to improve sufficiency.
- 6.6 During the next month the Council will be responding to central government's call for evidence on how High Needs deficits should be considered going forward, especially in respect of the potential for the ringfence of this deficit to the Dedicated Schools Grant (DSG) to come to an end from April 2023. Such a decision obviously presents significant financial risk to all councils if this moves from being a DSG issue to one that could impact on a council's General Fund. The response to this will be shared with relevant Cabinet Members and the next comprehensive report on High Needs to October Cabinet and November Council will provide an update on this.

7. Capital Programme 2022/23 – 2024/25

Capital Budget

- 7.1 The Capital Budget and profile of expenditure for the three years 2022/23 to 2024/25 is as follows:

2022/23	£42.777m
2023/24	£16.063m
2024/25	£6.680m

- 7.2 The following updates have been made to the capital programme budget since the previous report to Cabinet in July.

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- **Adult Social Care** – the Cabinet Member for Adult Social care has, under delegated authority, approved revised budgets for the Wider Social Care programme and Community Equipment Stores funded from the Better Care Fund – Disabled Facilities Grant (DFG). The total amount approved was £4.934m for Adult Social Care and £0.550m for Children’s Social Care.
- **Communities** – £0.270m has been added to the programme for essential Health and Safety works at Dunes Splashworld funded by borrowing.
- **Economic Growth & Housing**
 - £0.556m has been added to the programme for Bootle Canal Side Business Plan funded by earmarked reserves.
 - Town Deal Projects – Les Transformations de Southport and Enterprise Arcade budgets have been phased from 2022/23 to 2023/24 (£1.584m) to align with the ongoing development of the Town Deal programme and summary business cases previously reported to Cabinet.
- **Education Excellence** – the following schemes have been rephased for delivery in 2023/24 financial year:
 - Lydiate Primary Rewire £0.104m
 - Hudson Primary Replacement Windows / Roof Refurbishment £0.146m
 - Merefield Roof Repairs £0.115m

7.3 In addition to the above capital budgets the following capital grant allocations have been approved by Cabinet and Council for inclusion in the Capital Programme 2022/23 and 2023/24:

Capital Grant	2022/23 £	2023/24 £
Education Excellence		
Schools Condition Allocation	2,426,403	-
High Needs Provision Capital Allocation	2,062,067	2,908,641
Basic Needs Funding	-	878,823
Highways and Public Protection		
City Region Sustainable Transport Settlement	6,210,000	-
Key Route Network *	400,000	400,000
Transforming Cities Fund - Urban Traffic Control	660,049	440,033
Traffic Signal Maintenance	250,000	-
TOTAL	12,008,519	4,627,497

7.4 Authority has been delegated to Cabinet Member to assign funding to individual capital schemes for Adult Social Care, Highways and the Schools block allocations reported above. The list of schemes for 2022/23 is being fully developed and will be presented to the individual Cabinet Members for approval. A full list of the approved capital schemes will be presented in future reports to Cabinet.

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Budget Monitoring Position to July 2022

- 7.5 The current position of expenditure against the budget profile to the end of June 2022 is shown in the table below. It should be noted that budgets are profiled dependent upon the timing of when works are to be carried out and the anticipated spend over the financial year. For example, Education Excellence will typically carry out most of its capital works during key school's holiday periods such as the summer recess, whilst Highways and Public Protection will complete most of its programmed works during quarters two and four of the financial year. The budget to date in the table below reflects the profiles of each individual scheme.

Service Area	Budget to Jul-22	Actual Expenditure to Jul-22	Variance to Jul-22
	£m	£m	£m
Adult Social Care	1.038	1.014	-0.024
Children's Social Care	0.060	0.060	-
Communities	0.221	0.221	-
Corporate Resources	0.324	0.289	-0.035
Economic Growth & Housing	2.442	2.591	0.148
Education Excellence	0.674	0.678	0.004
Highways & Public Protection	2.172	2.123	-0.049
In House Operational Services	0.585	0.559	-0.026
Total Programme	7.516	7.535	0.019

Capital Programme Forecast Outturn 2022/23

- 7.6 The current forecast of expenditure against the budget profile to the end of 2022/23 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2022/23	Forecast Out-turn	Variance to Budget	Full Year Budget 2023/24	Full Year Budget 2024/25
	£m	£m	£m	£m	£m
Adult Social Care	6.217	6.217	-	1.774	1.610
Children's Social Care	0.450	0.450	-	0.100	-
Communities	2.188	2.188	-	0.290	-
Corporate Resources	6.145	6.120	-0.025	0.819	
Economic Growth & Housing	9.386	9.507	0.121	2.795	0.075
Education Excellence	4.271	4.212	-0.059	3.457	0.007
Highways & Public Protection	9.165	9.165	-	4.934	3.663
In House Operational Services	4.954	4.954	-	1.893	1.326
Total Programme	42.777	42.814	0.037	16.062	6.680

A full list of the capital programme by capital scheme is at **appendix A**.

- 7.7 The current 2022/23 budgeted spend is £42.777m with a budgeted spend to July of £7.516m. The full year budget includes exceptional items such as £2.033m for vehicle replacement, £4.439m for Green Homes and Sustainable Warmth schemes, £8.427m for Growth and Strategic Investment projects, previously approved amounts for essential repairs and maintenance (£1.183m) and a significant scheme to upgrade to LED Street Lighting (£3.887m).
- 7.8 Typically, on an annual basis the capital programme spends in the region of £25m. Given this typical annual level of spend it is likely that reprofiling of spend into 2023/24 will occur as the year progresses.
- 7.9 An overspend on the Economic Growth and Housing budget has been forecast in relation to the Cambridge Road Redevelopment project. A change control has been submitted and accepted by the Liverpool City Region Combined Authority (LCRCA) to secure additional grant funding for the project alongside identified match funding from the Council. Approval to increase the project budget will be sought on a future report to Cabinet once legal paperwork has been finalised for the additional grant.

Disabled Facilities Grants

- 7.10 Expenditure on Disabled Facilities Grants has been increasing steadily since 2021/22 and will continue to do so with development of the Adult Social Care online Portal, development of extended warranties and revised means testing for applicants. The Council's core programme for Disabled Facilities Grants in 2022/23 will therefore be £2.000m, an increase on the target of £1.474m set in 2021/22's capital programme. This will be fully funded from the block allocation of the Better Care Fund – Disabled Facilities Grant.
- 7.11 Cabinet is therefore requested to recommend to Council the approval of a supplementary capital estimate for the core DFG programme of £2.000m in 2022/23.
- 7.12 As mentioned in paragraph 2.2, the Cabinet Member for Adult Social Care has, under delegated authority, approved revised budgets up to a value of £1m for the Wider Social Care Programme and Community Equipment Stores funded from the Better Care Fund – Disabled Facilities Grant (DFG). A full list of approved Adults and Children's Social Care schemes can be found at Appendix A.

Updates to Highways Funding

- 7.13 Several updates to funding allocations for the Highways Capital Programme have been received since the initial block allocations were approved by Cabinet and Council in March and then further revised in June. The following updates are now presented for consideration and approval:
- 7.13.1 The LCRCA has provided revenue funding of £1.064m from the City Region Sustainable Transport Settlement (CRSTS) to support the delivery of the capital programme. This is to fund posts or support from the framework partner in the development and management of projects during the 5 years of the settlement. The details of how the funding will be expended to support the programme are

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being determined. Cabinet is requested to recommend to Council the approval of a supplementary revenue estimate of £1.064m.

7.13.2 The LCRCA previously approved an Outline Business Cases for both the Maritime Corridor and Southport Eastern access schemes and have invited the Council to develop both projects to Full Business Case (FBC). They have asked that the detailed design of both projects is undertaken prior to the FBC's being submitted. Consequently, they have provided funding from their pipeline development fund to enable the design and other necessary work to progress. Cabinet is requested approve a supplementary capital estimate of £0.759m for the additional funding.

7.13.3 The Council has secured funding from a number of developers via the Section 106 process. This will help support a number of specific Highways capital projects. The most significant contribution will be towards the modification works to the junction of the A59 and Kenyon's Lane in Maghull. Cabinet is requested approve a supplementary capital estimate of £0.577m for the additional external developer contributions to capital schemes.

7.13.4 A specific allocation of funding from the CRSTS has been identified for the funding of projects on the Key Route Network. The Grant Funding agreement, which will cover the entire 5-year programme, has yet to be received. The indicative allocation is £0.468m identified for spend in 2022-23 (note: this updates the estimate of £0.400m shown in paragraph 2.3). This is likely to be funding for works programmed for Marine Drive, with a contribution to the A59 cycleway and Kenyon's Lane project. Cabinet is requested approve a supplementary capital estimate for the additional funding.

7.13.5 An allocation of funding has been confirmed from Tranche 3 of the Active travel Fund for £1.620m. This is to fund improvements to the A59 and the implementation of school streets proposals. The expectation is that the schemes will be committed in 2022/23, but not expended until 2023/24. Cabinet is requested to recommend to Council the approval of a supplementary capital estimate for the additional funding.

7.13.6 As mentioned in paragraph 2.4, authority has been delegated to Cabinet Member – Regulatory, Compliance and Corporate Services to assign funding to individual capital schemes up to £1m for the Highways block allocations reported above. The list of schemes for 2022/23 has been fully developed and will be presented to Cabinet Member for approval. A full list of the approved capital schemes will be presented on future reports to Cabinet.

7.13.7 It is also proposed to allocate an amount of the CRSTS funding to the Council's regular Highways Capital Maintenance budget for carriageway resurfacing and treatments. As this amount exceeds the delegated limits for Cabinet Member approval, Cabinet is requested to recommend to Council the approval of a fully funded supplementary capital estimate of £4.789m for inclusion in the capital programme.

The Strand

- 7.14 The Strand Repurposing Programme is designed to drive the economic, social and physical regeneration of Bootle Town Centre and to catalyse wider regeneration of the whole of Bootle. The programme is planned to be delivered in Phases to enable the Strand to continue to operate throughout the works to refurbish and repurpose the centre.
- 7.15 The first Phase is to finalise the Canalside development, which started last year with funding from the CA and from the Council, as well as bringing more diverse uses to some areas of underused space. It is also to progress the collaborative work that has been started with Health partners in South Sefton, via the Integrated Care Partnership Board, to progress the more detailed designs for an Integrated Health and Social Care Hub to be located in the Re-purposed Strand, which will significantly improve health and wellbeing outcomes for local people and address health inequalities.
- 7.16 The first Phase is critical to start to drive up footfall and economic growth in the town centre and in this way to lift land and property values, which aims to de-risk the remaining Re-purposing programme for private sector investment.
- 7.17 While delivery strategy for the projects is finalised, and while feedback is awaited on the Levelling Up Funding bid submitted in July 2022, funding is proposed for allocation to ensure continued progression of design and planning work, aiming for a scheduled start of construction in mid-2023.
- 7.18 Council funding in the amount of £0.680m is proposed from the Economic Recovery fund to enable the Council to progress with this work without delay. A separate report was presented to Cabinet in July to request that Cabinet recommend to Council the approval of a supplementary capital estimate of £0.680m for the capital works required, funded from the Economic Recovery Earmarked Reserve.

Crosby Lakeside Adventure Centre

- 7.19 The Crosby Lakeside Adventure Centre (CLAC) hospitality refurbishment project is transforming the hospitality facilities at the CLAC to make them fit for purpose for this key coastal gateway and to make the hospitality operations financially sustainable into the future, which they have not been previously.
- 7.20 The project has been wholly funded by The Combined Authority (CA) but was disrupted in November 2021 by the failure of the contractor, causing many months delay and requiring re-procurement of works. The CA agreed to provide further funding to cover the estimated additional costs arising because of the contractor failure, especially construction inflation in terms of labour and materials.
- 7.21 The main hospitality facilities are close to completion, but the Bunkbarn element (a new residential unit for schools and community use) has seen further cost increases primarily as a result of construction inflation. These costs exceed the additional funding provided by the CA. Council funding in the amount of £0.171m is

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proposed from the Economic Recovery Fund to cover this budget shortfall and ensure delivery and completion of the project.

- 7.22 A separate report was presented to Cabinet in July to request that Cabinet recommend to Council the approval a supplementary capital estimate of £0.171m for the capital works required, funded from the Economic Recovery Earmarked Reserve.

Summerhill Primary – Proposal for Expansion

- 7.23 Following an extensive public consultation process for Sefton's Local Plan in 2017 it was agreed by Sefton Council that contributions would be sought from the housing developers of the site at Land East of Maghull to expand Summerhill Primary School to provide additional school places in the Maghull area. This is to meet the increased demand from families who move into the area and means that the school would expand from one-form entry to a two-form entry school.
- 7.24 The initial proposal for the project is a two phased approach. Phase 1 is to construct the seven-classroom block and Phase 2 to modify the existing school area. Phase 1 is planned to complete in July 2024, this will allow places to become available from September 2024 and some of the classrooms/functions to be moved into the new block and release the areas for Phase 2 work.
- 7.25 A separate report has been presented to Cabinet in September further detailing the proposals and to recommend to Council that a supplementary capital estimate be approved for Phase 1 of the scheme for £3.782m fully funded from Section 106 contributions.

Southport Town Deal – Marine Lake Events Centre

- 7.26 Following the successful submission of Southport's Town Investment Plan, under the government's Town Deal funding programme, Southport has been allocated £37.5m for a range of projects. All project funding allocations through the Town Deal have been developed with the agreement and support of the Town Deal Board and in line with the Town Deal Programme Heads of Terms.
- 7.27 The Marine Lake Events Centre (MLEC) incorporating The Light Fantastic has been allocated £33.3m from the fund and is acting as the anchor project to the overall Town Deal, given the importance of the project and of the offer to the town's economy. A business case was presented to Cabinet in July outlining the proposal for the full cost of the project – a £73m capital build funded by the Town Deal (£33.3m), £20m grant funding from the Liverpool City Region Combined Authority and the remaining £19.7m to be met by the Council.
- 7.28 £1.6m and £2.3m of pre-development funding, from the Town Deal and the Liverpool City Region Combined Authority respectively, has already been included within the Capital Programme as approved by Council in September 2021.
- 7.29 A separate report was presented to Cabinet in September 2022 to provide an update on the operator procurement process, current costs and funding position of the project. Cabinet was requested to recommend to Council to approve a

Supplementary Capital Estimate of £69.1m for the remaining funding required for the capital build for the MLEC: £31.7m from the Town Deal; £17.7m from the Liverpool City Region Combined Authority; and £19.7m to be funded by the Council. The total value of the capital scheme following approval will therefore be £73m.

- 7.30 The finance arrangements for the Council's contribution of £19.7m to the MLEC will be agreed following consultation with the Council's Treasury Management advisors and reported to Cabinet through the quarterly Treasury Management reports and the final proposal will be included within the Budget Report.

Southport Pier Decking Project

- 7.31 Southport Pier is a grade II listed structure, the oldest cast iron pier in England and the second longest. The asset is a critical element to Southport's visitor economy along with the wider economy of the Borough.
- 7.32 The Pier decking needs to be replaced in its entirety due to its current condition. In May 2022 it was agreed to undertake phase 1 of deck replacement at a cost of £0.206m, met from the Pier contingency fund. However, since approval to commence phase 1 works there has been a slight increase in defective decking boards, therefore a further detailed deck condition survey has been undertaken recommending that a comprehensive decking replacement programme is now undertaken.
- 7.33 A sum of £3m is required to undertake the comprehensive replacement of the decking. A competitive process will be progressed to ensure best value in delivery of the project. The council has no existing budget for this; therefore, this will be added to the medium-term financial plan as a growth item, showing the annual repayment cost being £0.178m per year
- 7.34 A separate report has been presented to Cabinet in September further detailing the proposals and to recommend to Council that a supplementary capital estimate be approved for £3m funded by prudential borrowing.

Corporate Essential Maintenance

- 7.35 A programme of essential repair work is currently being undertaken at Dunes Splashworld. The repair works will allow the facility to re-open and thereby continue to generate income for the Council, as well as attracting visitors to the area and in turn stimulating the local economy.
- 7.36 The capital scheme at Dunes was previously funded by Council resources and supported in part by the prioritisation of resources (capital receipts) within the Council's essential maintenance programme pending the settlement of a claim against the original developer relating to a range of issues stemming from latent defects at the facility.
- 7.37 The legal claim has now been settled and will fully fund the cost of the capital project for the repair work thus releasing the previously committed resources from the Council's essential maintenance programme. These resources are now

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required to complete other essential works in the maintenance programme. Cabinet is therefore requested to recommend to Council a supplementary capital estimate of £0.188m for Corporate Essential Maintenance funded from capital receipts.

Programme Funding

7.38 The table below shows how the capital programme will be funding in 2022/23:

Source	£m
Grants	30.034
Prudential Borrowing	7.940
Capital Receipts	2.193
Contributions (incl. Section 106)	2.609
Total Programme Funding	42.777

7.39 The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded, and the level of prudential borrowing remains affordable.

7.40 The Executive Director Corporate Resources and Customer Services will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

APPENDIX A – Capital Programme 2022/22 to 2024/25

Capital Project	Budget		
	2022/23 £	2023/24 £	2024/25 £
Adult Social Care			
New Directions Programme	390,000	-	-
Digitising Social Care	455,000	-	-
Sefton Carers Centre	30,000	-	-
Core DFG Programme	132,351	-	-
Double to Single Handed Care Equipment	150,000	-	-
Community Equipment Provision	300,000	-	-
ICT Development & Transformation	928,556	-	-
Occupational Therapy Support	603,774	-	-
Care Home Improvements	987,559	-	-
Changing Places	92,507	-	-
Retail Model within Health and Wellbeing Hubs	450,000	-	-
Extra Care Housing	-	750,000	750,000
Short Term Assessment Unit	860,000	860,000	860,000
Technology Enabled Care	420,806	13,750	-
Community Equipment Stores	250,000	100,000	-
Programme Support	166,625	50,000	-
Children's Social Care			
Support for Fostering Placements	100,000	100,000	-
Community Equipment – Children's	250,000	-	-
Springbrook Refurbishment	100,000	-	-
Communities			
Dunes Splashworld – Essential Repairs	463,133	101,874	-
Dunes Splashworld – Health and Safety Works	270,000	-	-
Orrell Mount Sports Hub	1,198,667	-	-
Libraries - Centres of Excellence	90,000	188,019	-
Section 106 Funded Projects	166,432	-	-
Corporate Resources			
Council Wide Essential Maintenance	1,051,028	818,833	-
STCC Essential Maintenance	54,650	-	-
Victoria Baths Essential Works	76,960	-	-
Bootle & Southport Town Hall Retrofit Energy Saving	29,950	-	-
Green Homes Grant Sustainable Warmth Schemes	4,438,882	-	-
ICT Transformation	493,281	-	-
Economic Growth & Housing			
Strategic Acquisitions - Bootle	17,620	-	-
Cambridge Road Centre Development	53,930	-	-
Crosby Lakeside Development	1,544,913	-	-
Town Centre Commission Bootle Canal Side	240,263	-	-
Bootle Canal Side Business Plan	556,862	-	-
Southport Market Redevelopment	47,335	-	-
Strategic Acquisitions - Ainsdale	90,600	836,423	-

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	2022/23 £	2023/24 £	2024/25 £
Marine Lake Events Centre	3,175,637	-	-
Enterprise Arcade	660,000	834,000	-
Transformations De Southport	2,000,000	750,000	-
Strand Business Plan	40,000	375,000	75,000
Housing Investment	33,960	-	-
Brownfield Fund for Housing Development	537,790	-	-
Social Housing Allocations Scheme	65,000	-	-
Southport Pier	321,822	-	-
Education Excellence			
Schools Programme	3,538,629	3,457,299	7,055
Planned Maintenance	197,617	-	-
Special Educational Needs & Disabilities	535,143	-	-
Highways and Public Protection			
Transport Schemes	5,277,913	1,328,620	-
LED Street Lighting Upgrade	3,886,920	3,605,580	3,662,630
Locality Services			
Burials & Cremation Service – Vehicles & Equipment	47,713	-	-
Coastal Erosion and Flood Risk Management	1,504,248	1,656,926	1,306,000
Parks Schemes	110,426	102,989	-
Tree Planting Programme	134,505	19,769	19,769
Golf Driving Range Developments	290,268	-	-
Ainsdale Coastal Gateway	327,712	-	-
Crosby Marine Lake Improvements – Phase 1	30,339	-	-
Green Sefton – Plant & Machinery	131,152	-	-
Vehicle Replacement Programme	2,033,329	113,000	-
Wheeled Bins	345,000	-	-
TOTAL PROGRAMME	42,776,807	16,602,082	6,680,454

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Report to:	Cabinet Council	Date of Meeting:	28 July 2022 29 September 2022
Subject:	Treasury Management Outturn 2021/22		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This outturn report provides Members with a review of the Treasury Management activities undertaken during 2021/22. Cabinet receives this outturn report to allow monitoring against the Treasury Management Policy & Strategy and Prudential Indicators approved by Cabinet and Council in March 2021. This report is also provided to Audit & Governance Committee, whose role it is to carry out scrutiny of treasury management policies and practices.

Recommendation(s):

Members are requested to note the Treasury Management position during 2021/22 and the update to 31st May 2022, to review the effects of decisions taken in pursuit of the Treasury Management Strategy and to consider the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities.

Reasons for the Recommendation(s):

To ensure that Members are fully apprised of the treasury activity undertaken during 2021/22 and also to 31st May 2022 in order to meet the reporting requirements set out in Sefton's Treasury Management Practices and those recommended by the CIPFA code.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

- (A) Revenue Costs**
None

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(B) Capital Costs
None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): A shortfall in investment income has been experienced for 2021/22 financial year.	
Legal Implications: The Council has a statutory duty under the Local Government Act 2003 to review its Prudential Indicators and Treasury Management Activities.	
Equality Implications: There are no equality implications.	
Climate Emergency Implications: The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N
 The Council has during 2021/22, invested its reserves and balances overnight with either banks or money market funds in order to maintain high security and liquidity of such balances. It has not had the opportunity to invest in longer term financial instruments or investment funds for which there may be a chance to consider the impact on the Council's Climate Emergency motion.	
 In the event that the Council has more surplus balances available in future that may lead to longer term investing, the Council will take account of the climate emergency when discussing the options available with the Treasury Management Advisors.	

Contribution to the Council's Core Purpose:

Protect the most vulnerable: n/a
Facilitate confident and resilient communities: n/a
Commission, broker and provide core services: n/a
Place – leadership and influencer: Good treasury management supports strategic planning and promotes innovative, affordable and sustainable capital investment projects through application of the CIPFA Prudential Code.
Drivers of change and reform: The Treasury Management function ensures that cash flow is adequately planned, and cash is available when needed by the Council for improvements to the borough through its service provision and the Capital Programme.

Facilitate sustainable economic prosperity: Pursuit of optimum performance on investments activities and minimising the cost of borrowing and the effective management of the associated risk continues to contribute to a balanced budget for the Council.
Greater income for social investment: n/a
Cleaner Greener: n/a

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6870/22) is the author of the report.

The Chief Legal and Democratic Officer (LD5070/22) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Council's external Treasury Management Advisors: Arlingclose have provided advice with regards to Treasury Management activities undertaken during the financial year.

Implementation Date for the Decision

Immediately following the meeting.

Contact Officer:	Graham Hussey
Telephone Number:	0151 934 4100
Email Address:	Graham.Hussey@sefton.gov.uk

Appendices:

None

Background Papers:

There are no background papers available for inspection.

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BACKGROUND:

1. Introduction

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. The Prudential Code details a number of measures / limits / parameters (Prudential Indicators) that, to comply with legislation, must be set in respect of each financial year to ensure that the Council is acting prudently and that its capital expenditure proposals are affordable.
- 1.2. A requirement of the Prudential Code is the reporting to Cabinet and Full Council of the outturn position of indicators following the end of the financial year. In accordance with this requirement, this report outlines the 2021/22 outturn for the following Prudential Indicators:-
 - i. Capital Expenditure (Section 2);
 - ii. Capital Financing Requirement (Section 3.1);
 - iii. Gross Debt and the CFR (Section 3.2);
 - iv. Borrowing Limits (Section 3.3);
 - v. Financing Costs as a proportion of Net Revenue Stream (Section 3.4);
 - vi. Treasury Management Indicators (Section 6).
- 1.3. The Treasury Management Policy and Strategy Statements are agreed annually by the Council as part of the budget process. A requirement of the Policy Statement is the reporting to Cabinet and Full Council of the results of the Council's treasury management activities in the previous year. Treasury management in this context is defined as:

'The management of the authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
- 1.4. In accordance with the above this report outlines the results of treasury management activities undertaken in 2021/22 covering the following issues:
 - borrowing strategy and practice
 - compliance with Treasury Limits
 - compliance with Prudential Indicators
 - investment strategy and practice.
- 1.5. The Council's Treasury Management activities have been under significant pressure throughout 2021/22 as a result of the continuing economic recovery from the coronavirus pandemic, together with the inflationary pressures created by the war in Ukraine, and higher interest rates. Pro-active management of cash balances was key to ensuring cash was available in response to exceptional need and the continued distribution of government Covid relief funding.
- 1.6. The results of treasury management activities in 2021/22 are reflected in the net expenditure on Capital Financing Costs included within the Council's Revenue Budget. The Capital Programme is also agreed annually as part of the budget

process. It sets out the anticipated capital expenditure to be incurred within the year.

2. Capital Expenditure

2.1. The original estimate for 2021/22 expenditure together with the actual capital expenditure calculated on an accruals basis for the financial year is as follows:

	Estimate £m	Actual £m
Capital Expenditure	52.343	32.536

2.2. Capital expenditure in 2021/22 was £19.807m less than the original estimate reported in March 2021. The Council has therefore remained within the limits for expenditure set at the start of the year. The variation is due to the phasing of capital budgets and grant allocations to future years. These adjustments were approved by Cabinet and Council as part of the monthly budget monitoring for the capital programme during 2021/22.

2.3. A full report on capital expenditure and the out-turn position for 2021/22 can be found in the separate Financial and Corporate Performance report also presented at this meeting.

3. The Council's Overall Borrowing Need

3.1. Capital Financing Requirement

3.1.1. The Capital Financing Requirement (CFR) reflects the Authority's underlying need to borrow for capital purposes and is based on historic capital financing decisions and the borrowing requirement arising from the financing of actual capital expenditure incurred in 2021/22.

3.1.2. The Council is currently internally borrowed meaning it temporarily uses its own cash balances to fund some capital schemes instead of external borrowing, a strategy which saves the cost of interest payments on loans. This reflects the current national low interest rates for investment of cash balances and the need to find savings for the revenue budget.

3.1.3. The actual level of Capital Financing Requirement as at 31 March 2022 compared to the initial estimate for 2021/22 is as follows:

	Estimate £m	Actual £m
Capital Financing Requirement	240.055	233.137

3.1.4. As mentioned in paragraph 2.2 (above), the level of capital expenditure for 2021/22 was less than anticipated and therefore the requirement for the financing of this expenditure from borrowing is also lower.

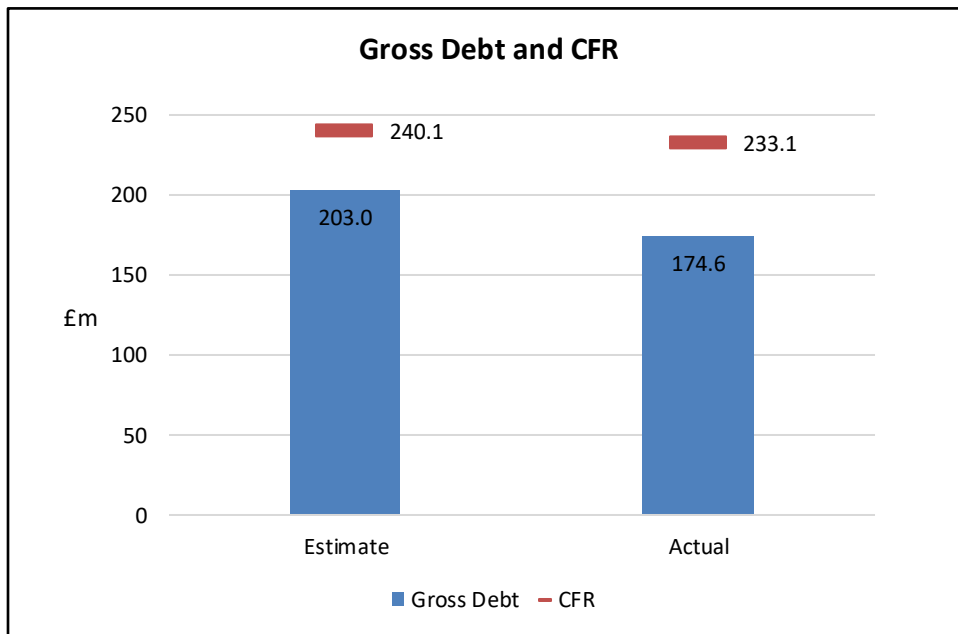
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3.2. Gross Debt and the CFR

3.2.1. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key factor of prudence:

"In order to ensure that over the medium-term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

3.2.2. In the report to Cabinet and Council in March 2021, it was stated that the Authority would comply with this requirement in 2021/22. During the financial year, gross external borrowing did not exceed the total of the Capital Financing Requirement. The chart below shows the out-turn position compared to the original estimate:



3.3. Borrowing Limits

	2021/22 £m
Authorised limit	245.000
Operational boundary	230.000
Maximum Gross Borrowing Position	193.791

3.3.1. The Operational Boundary sets a boundary on the total amount of long term borrowing that the Council is estimated to enter into. It reflects an estimate of the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices.

3.3.2. The Authorised Limit sets a limit on the amount of external borrowing (both short and long term) that the Council can enter into. It uses the Operational Boundary as its base but also includes additional headroom to allow for exceptional cash movements.

3.3.3. The Maximum Gross Borrowing Position shows the highest level of actual borrowing undertaken during 2021/22 financial year. This level remained within the Operational Boundary and did not exceed the Authorised limit.

3.4. Financing Costs as a Proportion of Net Revenue Stream

3.4.1. This indicator measures the financing costs of capital expenditure as a proportion of the net resource expenditure of the General Fund.

	Estimate 2021/22	Actual 2021/22
Financing Costs / Net Revenue	3.8%	4.2%

3.4.2. The overall ratio is slightly higher than the original estimate by 0.4%. As noted earlier (paragraph 3.1.4.), the requirement for financing capital expenditure from borrowing in 2021/22 was lower than anticipated. This borrowing was anticipated to be financed internally and therefore no additional interest charges were included in the estimate of financing costs. Income recharges for the cost of borrowing were forecast however to represent a cost of borrowing to Council services, but these have now been delayed to future years when the capital spend will be incurred. This has had the effect of increasing the financing costs in the current year and thus increasing the ratio. Revenue streams have also decreased when compared to the original estimate which has marginally impacted on the ratio.

3.4.3. The above variance is considered minor and financing costs for 2021/22 remain at affordable levels with the total borrowing requirement remaining below the operational boundary set at the beginning of the year.

4. Borrowing Strategy and Practice

4.1. The Council's debt portfolio at the 31st March 2022 and a comparison to the position at the end of last financial year is summarised as follows:

Actual Debt Outstanding	31st March 2021 £m	31st March 2022 £m
Public Works Loans Board	185.434	167.205
Other Long-Term Liabilities	8.355	7.415
TOTAL	193.789	174.620

4.2. The category of other long-term liabilities represents transferred debt from the Merseyside Residuary Body (£1.750m) and finance lease liabilities (£5.665m).

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- 4.3. The Council's PWLB debt activity during 2021/22 is summarised in the following table:

Movement in Year	Actual £m
PWLB opening debt 1 st April 2021	185.434
Less principal repayments	(18.229)
Add new borrowing	-
Closing PWLB debt 31st March 2022	167.205

- 4.4. The policy of internally borrowing, running down the Authority's cash balances rather than taking out new borrowing, continued with regards to the Capital Programme in 2021/22 as no new expenditure was financed from external borrowing.
- 4.5. The average rate of interest on Council loans with the Public Works Loans Board (PWLB) in 2021/22 and a comparison to the previous year is shown below:

	2020/21	2021/22
Average PWLB Interest Rate in Year	3.54%	3.74%

- 4.6. The average rate of interest is based upon the total interest amount paid as a proportion of loan principal held. The increase in the average rate of interest from 2020/21 to 2021/22 has resulted from maturing loans during the year reducing the balance of principal held, but interest payments remaining proportionally higher due to historic loans within the portfolio that were taken out when rates were much higher.

5. Debt Maturity Profile

- 5.1. This is a profile measuring the amount of borrowing that is fixed rate maturing in each period as a percentage of total borrowing that is fixed rate:

Fixed Rate Debt Maturity	Upper Limit	Lower Limit	Actual 31st March 2022
Under 12 months	35%	0%	9%
12 months and within 24 months	40%	0%	18%
24 months and within 5 years	50%	0%	9%
5 years and within 10 years	50%	0%	15%
10 years and within 15 years	75%	0%	11%
15 years and above	90%	25%	38%

5.2. The spread of debt across the various maturity periods shows how the authority has acted prudently and controlled its exposure to refinancing risk by not having overly large amounts of debt concentrated in one period, especially those in the shorter term.

6. Compliance with Treasury Limits

6.1. The following Treasury Limits were approved by Council during the 2021/22 Budget Setting process:

6.1.1 Borrowing Limits

	Limit £m	Maximum Borrowing 2021/22 £m
Authorised Borrowing Limit	245.000	193.791
Short Term Borrowing Limit	30.0	0.0

6.1.2 Investment Limits

	Upper Limit	Maximum Invested 2021/22
Principle sums invested for longer than 365 days	40%	5%

6.2. The amounts above show the maximum amounts borrowed or invested during the year compared to the limits set. The Council therefore remained within the limits for borrowing and investments set for the year and no short term borrowing was undertaken.

7. Investment Strategy and Practice

7.1. The Council invests all available cash balances, which includes school balances and the insurance fund, following a policy of obtaining maximum returns whilst minimising risks.

i. **Externally Managed Investments**

No externally managed funds are held.

ii. **Internally Managed Investments**

The Council's available funds during the year averaged £104.984m and were managed internally with advice from our treasury consultants.

7.2. The level of the Council's investments during 2021/22 and comparable figures from the previous year are summarised in the following table:

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	2020/21	2021/22
Total Investment of Cash Balances at year end	£70.26m	£98.69m
Average Investment Balance during the year	£88.01m	£104.98m
Average Return on Investments	0.36%	0.27%

- 7.3. In 2021/22 a weighted average return of 0.27% was achieved. The majority of the funds are invested with major banks and Money Market Funds (MMF's), with the remaining balance of £5m invested with the CCLA Property Fund. The return of 0.27% can be disaggregated into a return of 0.07% on bank and MMF investments, whilst 3.82% was returned by the CCLA investment.
- 7.4. The Bank Rate remained at 0.10% at the beginning of financial year. The Council therefore expected to receive significantly lower income from its cash and short-dated money market investments, including money market funds in 2021/22, as rates on cash investments remained close to zero percent. The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period. Improved returns on cash instruments followed the increases in Bank Rate in December, February and March but the full effect of these increases on the Council's investments will not be felt until 2022/23.
- 7.5. These external economic factors have therefore impacted the actual performance of investments that have under-achieved against the total budget for 2021/22 as follows:

Budget Profile	Budget £m	Actual £m	Variance £m
Outturn 2021/22	0.415	0.275	0.140

8. Treasury Position for 2022/23 – Update to 31st May 2022

8.1. Investments held at the 31/05/2022 comprise the following:

Institution	Deposit £m	Rate %	Maturity	Rating
Money Market Funds:				
Aberdeen	9.73	0.89	01.06.22	AAA
Aviva	9.73	0.87	01.06.22	AAA
Blackrock	9.73	0.85	01.06.22	AAA
BNP Paribas	9.73	0.91	01.06.22	AAA
Goldman-Sachs	9.73	0.89	01.06.22	AAA
HSBC	9.69	0.84	01.06.22	AAA
Invesco	6.30	0.89	01.06.22	AAA
Morgan Stanley	9.23	0.86	01.06.22	AAA
Insight	9.44	0.89	01.06.22	AAA
Total	83.31			
Deposit Accounts:				
Santander	0.40	0.41	01.06.22	A+
Total	0.40			
Notice Accounts:				
Lloyds	3.00	0.05	11.07.22	A+
Natwest	3.00	0.40	20.07.22	A+
Santander	3.00	0.40	27.09.22	A+
Total	9.00			
Property Fund:				
CCLA	5.00	3.13	n/a	n/a
Total	5.00			
TOTAL INVESTMENTS	97.71			

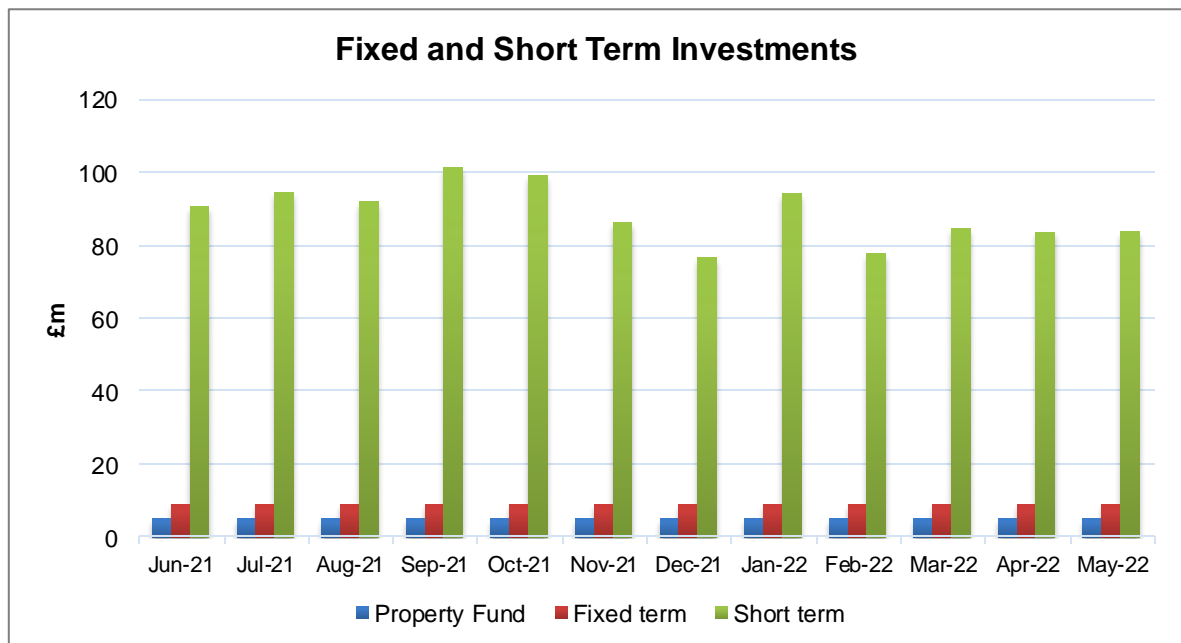
8.2. The Authority holds significant invested funds, representing grant income received in advance of expenditure plus balances and reserves held. The cash is initially held in a number of highly liquid Money Market Funds to ensure security of the funds until they are required to be paid out. This approach is consistent with the Council's approved Treasury Management Policy and Strategy for 2022/23. The balance of investments is therefore expected to fall over the coming months as the income is fully expended.

8.3. All of the investments made since April 2022 have been with organisations on the current counterparty list. The maximum level of investment permitted in the Treasury Management Strategy in any one institution, or banking group, is currently £15m. Whilst the maximum should be retained, in light of current economic conditions, a day to day operational maximum of 10% of the total portfolio is currently being imposed for investments. This will spread the risk for the Council but

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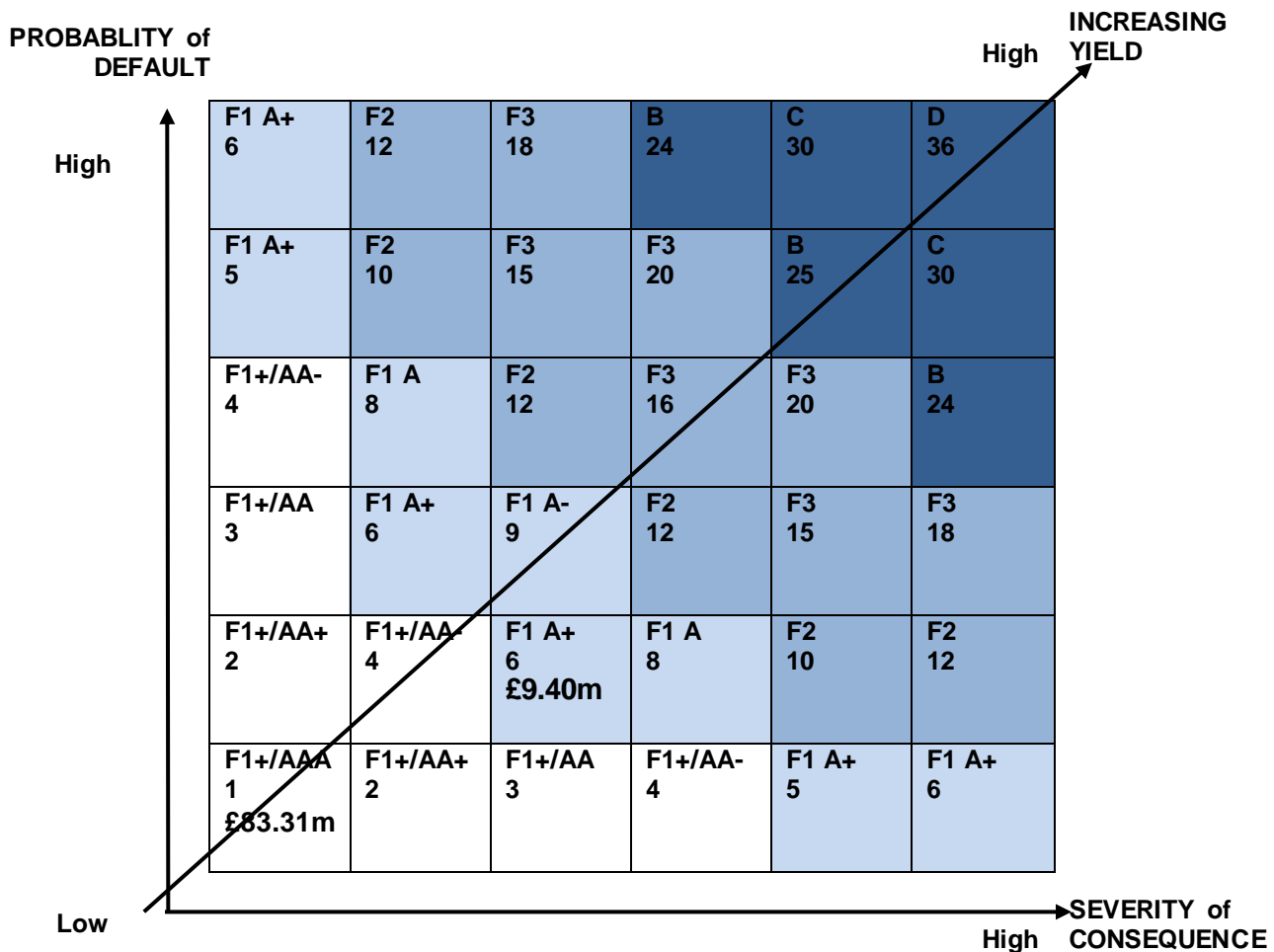
will have a small detrimental impact on the returns the Council will receive in the future. The Council has remained within that boundary during the year. At present, it is not expected that there will be any need to review this limit.

- 8.4. The Council will only invest in institutions that hold a minimum Fitch rating of A- for banking institutions, or AAA for money market funds. The ratings applied to investment grade institutions, and the much riskier speculative grade institutions, as defined by Fitch, have been placed into a risk matrix (paragraph 8.8).
- 8.5. An investment has been made with the Church, Charities and Local Authority Investment Fund (CCLA) in June 2014. CCLA invest in commercial property which is rented out to enterprises such as retail units, warehousing, and offices. The majority of properties owned are in the south of the country where the market is often more buoyant than the north. The Council has in effect bought a share of the property portfolio and returns paid are in the region of 4%. This is seen as a long-term investment with the potential for the capital value of the investment to vary as property prices fluctuate.
- 8.6. The Net Asset Value (NAV) of the Property Fund has increased over a 12-month period to May 2022 from 303.69p per unit to 358.52p per unit, an increase of 18%. The income yield on the Property fund at the end of May 2022 was 3.13% which, although lower than returns received in the past, still represents a reasonable return on the Council's investment.
- 8.7. The ratio of overnight deposits (short term) to fixed term investments and the property fund is shown below:



- 8.8. The matrix below shows how the Council has set its risk appetite by being risk averse and putting security and liquidity before yield when investing:

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SEFTON RISK TOLERANCE:

Risk Level	Score	Grade	Amount Invested
LOW	1 - 4	Investment Grade	£83.31m
LOW - MEDIUM	5 - 9	Investment Grade	£9.40m
MEDIUM	10 - 20	Investment Grade	-
HIGH	21 - 36	Speculative Grade	-

8.9. The Council will continue to maximise any investment opportunities as they arise although it is not envisaged that any substantial increase in returns can be achieved for the remainder of the current financial year as balances available for investment will be held in short term deposits to allow the council to respond to any exceptional demands for cash as they arise. The security and availability of cash will be prioritised over improved yields as per the agreed Treasury Management Strategy and advice received from Sefton's treasury management advisors.

9. Interest Earned

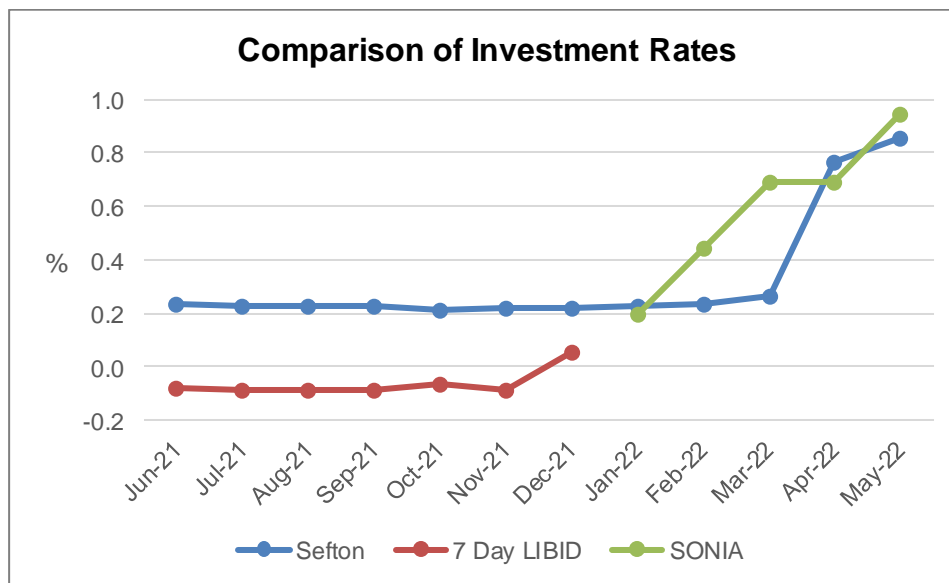
9.1. The actual performance of investments against the profiled budget to the end of May 2022 and the forecast performance of investments against total budget at year end is shown below:

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	Budget £m	Actual £m	Variance £m
May-22	0.098	0.109	0.011

	Budget £m	Forecast £m	Variance £m
Outturn 2022/23	0.789	0.789	-

- 9.2. The forecast outturn for investment income shows the level of income to be on target against the budget for 2022/23. Investment rates have increased significantly in the first quarter of 2022 (see 9.4. below) largely in response to rises in interest rates. The budgeted income for 2022/23 has therefore been set at a higher level when compared to previous financial years.
- 9.3. It is not envisaged that improved rates will lead to a significant increase over and above the current forecast income from investments during 2022/23 as cash balances are diminishing and held in short term deposits.
- 9.4. The Council has achieved an average rate of return on its investments of 0.85%. The chart below shows the average rate of return plotted against the 7-day LIBID and SONIA benchmarks.



- 9.5. On 5th March 2021 the Financial Conduct Authority announced the cessation of the LIBOR benchmark from the start of 2022. This deadline has now passed and as a result some LIBOR benchmarks such as the 7-day LIBID have been discontinued. LIBOR has primarily been replaced by the Sterling Overnight Index Average (SONIA) benchmark as the new widespread reference rate.
- 9.6. On the advice of its treasury management advisors, Sefton has adopted the SONIA rate as a replacement for the 7-day LIBID when benchmarking its investment performance from January 2022 onwards. As can be seen from the chart above,

Sefton's investments have slightly underperformed (by 0.09%) compared to SONIA to the end of May 2022, although the investment income received is on target as per the 2022/23 budget as shown in paragraph 9.1 (above).

10. Interest Rate Forecast

10.1. Arlingclose, the Council's treasury advisors, have provide the following interest rate view:

	Current	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
Arlingclose Central Case	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.23
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
3-month money market rate														
Upside risk	0.00	0.00	0.30	0.30	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.39
Arlingclose Central Case	1.20	1.40	1.45	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.32
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
5yr gilt yield														
Upside risk	0.00	0.30	0.35	0.50	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.53
Arlingclose Central Case	1.50	1.55	1.60	1.60	1.55	1.50	1.45	1.40	1.40	1.40	1.40	1.40	1.40	1.47
Downside risk	0.00	-0.20	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60	-0.44
10yr gilt yield														
Upside risk	0.00	0.40	0.50	0.60	0.65	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.59
Arlingclose Central Case	1.88	1.90	1.95	2.00	2.00	1.90	1.80	1.75	1.75	1.75	1.75	1.75	1.75	1.84
Downside risk	0.00	-0.20	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60	-0.44
20yr gilt yield														
Upside risk	0.00	0.30	0.35	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.47
Arlingclose Central Case	2.14	2.10	2.10	2.10	2.10	2.05	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.05
Downside risk	0.00	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.55	-0.55	-0.55	-0.42
50yr gilt yield														
Upside risk	0.00	0.30	0.35	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.47
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.82
Downside risk	0.00	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.55	-0.55	-0.55	-0.55	-0.55	-0.42

- *High inflation is challenging the global economic outlook, leaving policymakers a choice between gradual tightening now, with the chance of a recession, or more significant monetary tightening later to combat embedded inflation expectations. Global policymakers have chosen the former, leading to interest rate rises around the world.*
- *The invasion of Ukraine has exacerbated global inflation trends, particularly around food and energy. In the UK, the Ofgem price cap rose by 54% in April and a further 40-50% increase is possible in October. The rise in energy and fuel prices has been a significant factor behind the CPI rate moving up to 7% and will drive it up to near 10% over the course of 2022.*
- *High sustained inflation has created a more challenging growth outlook for the UK economy. Higher prices, particularly for necessities such as food and energy, will reduce household disposable income, and data is already suggesting that households are curtailing spending in response. Built up savings and more robust wage growth will only partly offset the impact.*
- *The labour market appears tight and nominal wage growth is running above pre-COVID levels. This will be a contributory factor to sustained above target inflation this year, although real wage growth is unlikely for most workers. Ultimately, weaker economic activity should lead to lower demand for labour and reduce wage pressure.*
- *The Bank of England will raise Bank Rate again in June to 1.25% to ensure that aggregate demand slows to reduce business pricing power and labour wage bargaining power. A further rise to 1.50% is a distinct possibility. Markets have priced in a much steeper path for Bank Rate, but we believe the MPC will be more cautious given the soft medium term economic outlook (a view communicated in the May Monetary Policy Report).*
- *Bond yields have risen sharply to accommodate tighter global monetary policy, particularly in the US, including the run-off of central bank bond portfolios in the reversal of QE. The interplay between slowing growth and high inflation/tightening policy will create significant volatility due to high levels of uncertainty.*

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11. Compliance with Treasury and Prudential Limits

- 11.1. As at the end of May 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

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Report to:	Audit and Governance Committee Council	Date of Meeting:	7 September 2022 29 September 2022
Subject:	Audit and Governance Committee Annual Report 2021-2022		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To formally present the Annual Report of the Audit and Governance Committee 2021-2022.

Recommendations:

1. Recommendation to the Audit and Governance Committee:

That the Audit and Governance Committee be requested to:

Agree and refer the 2021-2022 Annual Report of the Audit and Governance Committee to the Council for approval, as detailed in Appendix 1.

2. Recommendation to the Council:

That Council be requested to approve the Annual Report of the Audit and Governance Committee 2021-2022.

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Reasons for the Recommendations:

To comply with the Terms of Reference of the Committee as set out in Chapter 7 of the Councils Constitution.

Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative options have been considered – To comply with the formal reporting mechanism.

What will it cost and how will it be financed?

There are no direct financial implications arising from this report.

(A) **Revenue Costs** – see above

(B) **Capital Costs** – see above

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
None	
Legal Implications:	
None	
Equality Implications:	
There are no equality implications.	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	Neutral
Have a neutral impact	Neutral
Have a negative impact	Neutral
The Author has undertaken the Climate Emergency training for report authors	Yes
There are no direct climate emergency implications arising from this report. Any climate emergency implications arising from matters referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year.	

Contribution to the Council's Core Purpose:

Protect the most vulnerable: None directly applicable to this report
Facilitate confident and resilient communities: None directly applicable to this report
Commission, broker and provide core services: Good governance is about how the Council ensures that it is doing the right things, in the right way, for the communities we serve. Good governance will enable the Council to pursue its vision and secure its agreed objectives in the most effective and efficient manner.
Place – leadership and influencer: None directly applicable to this report
Drivers of change and reform: None directly applicable to this report
Facilitate sustainable economic prosperity: None directly applicable to this report
Greater income for social investment: None directly applicable to this report
Cleaner Greener: None directly applicable to this report

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 6906/22) and the Chief Legal and Democratic Officer (LD 5106/22) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Immediately following the Council meeting.

Contact Officer:	Ruth Appleby
Telephone Number:	Tel: 0151 934 2181
Email Address:	ruth.appleby@sefton.gov.uk

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Appendices:

The following appendices are attached to this report:

Appendix 1: Annual Report of the Audit and Governance Committee 2021-2022

Appendix 2: Audit and Governance Work Programme for 2021-2022

Appendix 3: Terms of Reference of the Audit and Governance Committee

Appendix 4: Audit and Governance Committee Training and Development Programme 2022-2024

Background Papers:

There are no background papers available for inspection.

1. Introduction and Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Position statement on Audit Committees states that Audit Committees are a key component of an authority's governance framework. Their function is to provide an independent and high level resource to support good governance and strong public financial management.

1.2 The Position Statement also states that "The audit committee should be held to account on a regular basis by the group to which it is accountable. For a local authority audit committee, this will be the Council. The aspects that should be specifically considered include:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities
- whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control within the authority".

1.3 Within the Chartered Institute of Public Finance and Accountancy (CIPFA) model Terms of Reference (2018), which the Council adopted in May 2021, there is a requirement to publish an annual report on the work of the committee as well as to report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

- 1.4 The proposed requirement stems from good practice to outline an Annual Report of the Audit and Governance Committee to the Council setting out all the activities/decisions taken by the Committee during that year. The report should as a result enhance accountability of the Committee and its decision making and good governance
- 1.5 The Annual Report of the Audit and Governance Committee outlines the Committee's work and achievements over the year ending 31 March 2022 and demonstrates to residents and Council stakeholders the important role that is carried out by the Committee and its contribution to the Council's overall governance arrangements.

2. Audit and Governance Committee Terms of Reference and Work Programme

- 2.1 Following adoption of the model Terms of Reference of the Committee by the Council in May 2021 this is the second Audit and Governance Annual Report that has been produced and approved by the Chair of the Committee. The Annual Report, along with the Work Programme of the Committee, was developed further in 2021-2022 to ensure that the Committee remained effective in addressing all elements of the adopted model Terms of Reference.
- 2.2 Appendix 2 to the report sets out the Work Programme of the Committee covered in 2021-2022 comprising the schedule of meetings for the Committee and the reports to be considered at each of those meetings.
- 2.3 The Work Programme for each Municipal Year is an important element of planning the year ahead as it ensures that the Committee remains on target in reviewing the effectiveness of the Committee and is effectively monitoring/reviewing the Terms of Reference of the Committee (Appendix 3 to the report). Appendices 2 and 3 work hand-in-hand in that all elements of the Terms of Reference are monitored through the submission of reports/briefings to the Committee. It is also important to note that an element of flexibility in relation to the Work Programme is applied in order that any ad hoc/urgent pieces work may be undertaken/reviewed by the Committee as and when required.

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Sefton Council



**Audit and Governance
Committee
Annual Report 2021-2022**

**Councillor Dave Robinson
Chair**

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Introduction by the Chair of the Audit and Governance Committee



Councillor Dave Robinson

**Chair of the Audit and Governance
Committee**

September 2022

It gives me great pleasure to introduce the 2021/22 Annual Report of the Audit and Governance Committee.

The report informs the Council of the broad range of work undertaken by the Committee in fulfilling its Terms of Reference and in doing so provides assurances on the effectiveness of the Committee in meeting its obligations.

The Committee's Terms of Reference were developed in accordance with the CIPFA guidance and the detailed Committee Work Programme provides further assurances that the Terms of Reference are reviewed.

I wish to place on record my appreciation to the Executive Director of Corporate Resources and Customer Services and his team for all their hard and work and continued support to members in ensuring the success of meeting remotely.

I look forward to working with Committee members and officers who support the Committee during 2022-2023.

1.0 Introduction

1.1 The Audit and Governance Committee has delegated responsibilities from Council. This report provides details of how the Committee has discharged those responsibilities and delivered against its terms of reference which can be found in the Council's Constitution and at Appendix 3 to this report.

1.2 The purpose of the Audit and Governance Committee is to:

- provide independent assurance to the Council in respect of the effectiveness of the Council's governance arrangements, risk management framework and the associated control environment; and
- independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.

1.3 The key benefits of an effective audit Committee are:

- increasing awareness regarding the effectiveness and continued development of the Council's governance arrangements;
- providing additional assurances on the robustness of the Council's governance arrangements through a process of independent and objective review;
- reducing the risks of illegal or improper acts;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- contributing to performance improvements in assurance levels and awareness of the need for strong internal control including the implementation of audit recommendations;
- reinforcing the importance and independence on internal and external audit and similar review processes; and
- promotes high standards of ethical behaviour by developing, maintaining and monitoring performance and Codes of Conduct for Members of the Council (including co-opted members and other persons acting in a similar capacity).

1.4 Audit and Governance Committee Work Programme

The Committee's Work Programme is a rolling and flexible schedule of work that should be undertaken by the Committee. The programme is designed to ensure that the Committee remains on track with its ambitious schedule of work.

The Chartered Institute of Public Finance and Accountancy (CIPFA) publication - "Practical Guidance for Local Authorities and Police" recommends as good practice, the provision of an annual Work programme to enable Audit and Governance Committees to discharge their duties in accordance with their Terms of Reference.

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Adherence to the work plan ensures that the Audit and Governance Committee has a structured, consistent approach to fulfilling its responsibilities as detailed in the CIPFA guidance.

In May 2021, the meeting of the Adjourned Annual Council agreed the adoption of a new model Terms of Reference for the Audit and Governance Committee. This was based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) publication – "Practical Guidance for Local Authorities and Police" which sets out CIPFA's guidance on the role, function and operation of audit committees in local authorities and police bodies and represents best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. The Terms of Reference have been enhanced to reflect the Committee's Governance role which is not detailed in the guidance.

Following approval of the Terms of Reference by the Adjourned Annual Council, a proposed Work Plan was approved by the Audit and Governance Committee on 15 September 2021.

The Work Programme for each Municipal Year is an important element in planning the year ahead as being closely aligned with the Terms of Reference, it ensures that the Committee has a structured, consistent approach to fulfilling its responsibilities within the Terms of Reference and helps to ensure the effectiveness of the Audit and Governance Committee. It is also important to note that a degree of flexibility is applied in order that any ad hoc / urgent reports may be considered by the Committee as and when required.

The Work Programme for 2021 to 2022 is set out in Appendix 2 to this report.

2.0 Year 2021-2022

Meetings of the Audit and Governance Committee were held on the following dates during 2021/22:

- 23 June 2021
- 15 September 2021
- 15 December 2021
- 16 March 2022

Further information on the Audit and Governance Committee Meetings, including agendas and minutes is available at the following link: [Sefton Council](#)

As indicated in the Work Programme, reports submitted related to the following areas:

- Internal Audit
- Risk Management
- Accounts, Financial Statements and Treasury Management
- Information Governance/Constitution Updates
- Miscellaneous / Ad hoc reports

2.1 **Internal Audit**

To support the Committee in monitoring progress of Internal Audit work within the year the following reports were presented:

Meeting	Reports
15 September 2021	Annual Report and Opinion of the Chief Internal Auditor
15 December 2021	Follow up of Audit Agreed Actions
16 March 2022	Internal Audit Charter and Annual Audit Plan 2022-2023

2.2 **Risk Management**

The following reports on the management of risk within the Council during the year were presented to the Audit and Governance Committee:

Meeting	Reports
23 June 2021	Corporate Risk Management
23 June 2021	Risk and Audit Service Performance
15 September 2021	Corporate Risk Management
15 September 2021	Risk and Audit Service Performance
15 December 2021	Corporate Risk Management
15 December 2021	Risk and Audit Service Performance
16 March 2022	Corporate Risk Management
16 March 2022	Risk and Audit Service Performance

2.3 **Accounts, Financial Statements & Treasury Management**

The following Financial and Treasury Management reports were presented to the Audit and Governance Committee:

Meeting	Reports
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15 September 2021	Draft Statement of Accounts 2020/2021
15 September 2021	Treasury Management Outturn and Position to 31 July 2021
15 December 2021	Statement of Accounts 2020/2021
15 December 2021	Treasury Management Position to September 2021
15 December 2021	Review of Risk Based Verification for Housing Benefit and Local Council Tax Reduction Claims
17 March 2021	Treasury Management Position to January 2022

2.4 **Information Governance/Constitution Updates**

Within the financial year significant work was undertaken on the Council's governance arrangements and issues in relation to the constitution. These issues were presented to the Audit and Governance committee in advance of progression to Council for approval where required and are reflected below:

Meeting	Reports
23 June 2021	Amendments to Motions at Full Council
15 September 2021	Information Management and Compliance
15 September 2021	Audit and Governance Annual Report 2021-2022
15 September 2021	Procurement – National Procurement Policy, Contract Procedure Rules and Internal Processes
15 September 2021	Review of Members Code of Conduct Complaints 2020-2021
15 September 2021	Review of Whistleblowing Complaints
15 December 2021	Annual Fraud Report
16 March 2022	Sefton Council Annual Money Laundering Policy Update
16 March 2022	ICT Acceptable Usage Policy
16 March 2022	Audit and Governance Committee Member Training and Development
16 March 2022	Audit and Governance Committee Work Programme 2022-2023

2.5 **Miscellaneous Reports**

The following ad hoc reports, including an item submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution were considered by the Audit and

Governance Committee:

Meeting	Reports
23 June 2021	Ernst and Young reports on: <ul style="list-style-type: none"> • Certification of Claims and Returns Annual Report 2019-2020 • Annual Audit Letter for the year ended 31 March 2020 • 2020/2021 Auditor work on Value for Money (VFM) Arrangements • Sustainability of Local Authority Financial Reporting and External Audit in England – The Sir Tony Redmond Independent Review
23 June 2021	Item submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution – Bootle Strand and Surrounding Area – Sir Ron Watson
15 September 2021	Presentation by the Executive Director Place on Bootle Strand and Surrounding Area (in response to Sir Ron Watson’s report on 23/6/22

3.0 Assurance Activity 2021/2022

- 3.1 In order for the Committee to draw conclusions about the effectiveness of the Council’s internal control framework, governance and risk management it gained assurances from a number of sources.

- 3.2 The Accounts and Audit (England) Regulations 2015 require the Council to maintain an adequate and effective internal audit which is discharged by the Section 151 Officer. The Chief Internal Auditor works with Internal Audit to provide assurances for both Members and management on the effectiveness of the control framework.

- 3.3 The Committee received and considered reports in relation to the Annual Report and Opinion of the Chief Internal Auditor that provided a summary of the work of internal audit during 2021-2022 and the Chief Internal Auditor’s opinion on the overall control environment operating within the Council during the year. This report is a key requirement of the Public Sector Internal Audit Standards. As part of the Chief Internal Auditor’s reporting the impact of the Covid pandemic for 2020/21; the transition to homeworking by officers – which had gone smoothly; the substantial change in the risk environment of the Council and a revised audit plan that had been drafted to identify the new risks were reported and considered.

- 3.4 The Committee also received regular updates in relation to the performance and key activities of the Risk and Audit Service to each

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Meeting and agreed revisions to the Internal Audit Plan for 2021/22.

4.0 Risk Management

4.1 Risk Management continues to be a key component to service planning and regular monitoring of the corporate risk register is a vital of the Committee. The Committee routinely received reports in that respect. Throughout 2021/22 risks had been re-scored in accordance with the assessment guidance included in the Corporate Risk Management handbook. Members welcomed the continuance of the regime of receiving a short presentation from a risk owner on one of the risks listed in the Corporate Risk Register, which provided Members with further insight into risks associated with particular service areas and allowed for a further layer of scrutiny and challenge. During 2021/2022 the Committee received the following presentations:

- Executive Director Place – on the risks relating to the impact on the Sefton economy of Covid-19, EU Exit, winter and austerity.
- Head of Children’s Social Care on the risks associated with Children’s Social Care
- Executive Director Adult Social Care and Health on the risks associated with Adult Social Care.
- Executive Director Corporate Resources and Customer Services on the risk associated with financial sustainability relating to the Council’s housing development company.

4.2 The Committee also considered and regularly reviewed the performance and key activities of the Risk and Audit Service during 2021/2022 and were provided with Internal Audit Plans and contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience teams.

5.0 Treasury Management

5.1 The Audit and Governance Committee has a responsibility to provide a level of scrutiny in relation to treasury management policies and practices, and as such, the Committee considered the treasury management outturn position for the period 2021/22 which provided a review which included the implications of changes resulting from regulatory, economic and market factors affecting the Council’s treasury management position along with the treasury management activities undertaken to 31 March 2022.

5.2 The Committee also considered quarterly progress reports on the treasury management position and performance against prudential indicators. As a continuing result of the pandemic, the Council’s Treasury Management activities took on even greater importance especially around cash flow management and the investment of significant grant sums that the Council was distributing on behalf of central government-

these were reported continually to Audit and Governance committee through the year and Council in accordance with the agreed Strategy.

6.0 Statement of Accounts and External Auditors

- 6.1 At its meeting held on 15 September 2021 the Committee considered the draft un-audited Statement of Accounts for 2020/21 in advance of the final audited Statement of Accounts which was expected to be presented for approval in December 2021.
- 6.2 The Committee also considered the report by Ernst and Young LLP, the Council's external auditors, setting out an overview of the 2020/21 audit strategy, including an assessment of key risks and a planned audit strategy in response to those risks. Members scrutinised the draft statement of accounts robustly by asking questions of both the Section 151 Officer and the Council's external auditor.
- 6.3 The expected final Statement of Accounts 2020/21 was considered on 15 December 2021 and included the Annual Governance Statement for consideration and approval. In addition, and the Report of the Independent External Auditors and the proposed 'Letter of Representation' letter from Sefton Metropolitan Borough Council to the External Auditors – Ernst & Young LLP (EY), were also considered.
- 6.4 The Statement of Accounts 2020/21 provided information about the Authority's finances in respect of the cost of the Authority's services and what the Authority's assets and liabilities were at the end of the year.
- 6.5 The EY audit had focused on the following areas with no significant issues having been found:
- Misstatements due to fraud or error (Fraud Risk).
 - Risk of fraud in revenue and expenditure recognition (Fraud Risk).
 - Valuation of pension fund assets and liabilities in the Local Government Pension Scheme (Significant Risk).
 - Valuation of land and buildings (Significant Risk).
 - New Central Government Grants and other Covid-19 funding streams (Significant Risk).
 - Investments and Subsidiaries (Inherent Risk).
 - Going Concern (Inherent Risk).

The EY report indicated that the areas of the audit still to be completed were:

- Valuation of land and buildings;
- completion of our internal consultation process on our audit

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assessment and review of the Council's proposed going concern disclosures;

- final quality review procedures by the engagement partner and quality reviewer;
- review of the final version of the financial statements;
- completion of subsequent events review; and
- receipt of the signed management representation letter and accounts.

The report indicated that an update report detailing any changes made to the Statement of Accounts from that presented to the Committee, would be presented to Audit and Governance Committee scheduled to take place on 16 March 2022. However, due to a technical accounting issue relating to the valuation of infrastructure assets that have been raised nationally the audit of the Statement of Accounts is yet to be completed. CIPFA has consulted on changes to the Accounting Code of Practice which will allow for the issue to be resolved and the audit to be concluded. However, it is currently unknown how long this process will take.

7.0 Information Governance/Constitution Updates and other Miscellaneous reports falling within the Committee's Terms of Reference

Within the financial year significant work was undertaken on the Council's governance arrangements and issues in relation to the constitution. These issues were presented to the Audit and Governance committee in advance of progression to Council for approval where required and are reflected below:

- 7.1 On 23 June 2021 the Committee considered a report on **Amendments to Motions at Full Council** recommending that motions could be dealt with in the same manner as when meetings had been held remotely due to the Covid-19 pandemic, whereby notice of an amendment to a motion was emailed to the Chief Legal and Democratic Officer no later than 4 pm on the day before the Full Council meeting using a template for submission and stating the names of the mover and seconder of the amendment. If approved as a valid amendment, the notice of the amendment was circulated to all Members by email no later than 4 pm on the day of the Full Council meeting. The report proposed that this process continue and be written into the Constitution. The Audit and Governance Committee did not approve the recommendation on the grounds that it would be wrong to stifle the cut and thrust of debate at Full Council meetings.
- 7.2 At its Meeting held on 15 September 2021 the Committee considered the following key reports:
- 7.2.1 **Information Management and Compliance** – informing members of

the Council's approach to information governance and management and the consequences of not having appropriate arrangements in place together with details of information compliance in 2020/2021. The report outlined the current training in the form of eLearning course which enables staff and Councillors to gain a working knowledge of the legislation governing Information Compliance and advice on how to stay within the law when conducting their day-to-day activities including:

- Collecting Information.
- Maintaining Accurate Information.
- Do's & Don'ts when working with information.
- Sharing information.
- Storage & Security of information.
- Information incidents and what to do if it happens to you.
- Rights of Access to Information.
- Direct Marketing and Newsletters.
- Disposal of information

The course content is reviewed to ensure alignment to best practice and changes in the security risk profile; the next update will include increased information around cyber.

The report also provided an update on Freedom of Information requests in accordance with the Freedom of Information Act; Subject Access and disclosure requests; data incidents in respect of the Council's legal obligation to take appropriate measures to prevent unauthorised or unlawful processing, accidental loss, and destruction of or damage to personal data; and the on-line self-assessment tool – the Data Security and Protection Toolkit – All organisations that have access to NHS patient data and systems must use this Toolkit to provide assurance that they are practising good data security and that personal information is handled correctly.

7.2.2 **National Procurement Policy, Contract Procedure Rules and Internal Processes**

The Committee approved the refresh of the Council's Contract Procedure Rules and noted the published Modern Slavery Statement, which is updated annually and can be viewed on the Council's website at the following link:

<https://www.sefton.gov.uk/media/1265/modern-slavery-statement.pdf>.

The Committee also noted that a full rewrite of the Contract Procedure Rules would take place once the updated national guidance was published when a further report would be submitted for consideration by the Audit and Governance Committee.

7.2.3 **Review of Members Code of Conduct Complaints** – which provided a summary of complaints received in the municipal year 2020 to 2021

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that Members of Sefton Council had breached its Members Code of Conduct, indicating that six complaints had been received alleging that Sefton members had breached its Code of Conduct for Members. All the complaints had been made by members of the public and for the reasons set out in the report none of the complaints had led to a full investigation and had been concluded without any adverse findings being made. Four of the six complaints had concerned social media posts.

- 7.2.4 **Review of Whistleblowing Complaints** –which apprised the Committee of all complaints received by the Council via its whistleblowing policy in the municipal year 2020 to 2021 in accordance with the terms of reference of the committee and the terms of the policy.

The Policy which had been approved by the Audit and Governance Committee on 19 June 2019 can be found on the Council's intranet and internet pages:
[Whistleblowing policy \(sefton.gov.uk\)](https://www.sefton.gov.uk/whistleblowing-policy).

The report indicated that during the municipal year 2020 to 2021 the Council had received six referrals under its Whistleblowing Policy. Three of the referrals had made anonymously and for the other three feedback was provided on the outcome of the referral.

- 7.3 At its meeting on 15 December 2021 the Committee considered the **Annual Counter Fraud Report 2020-2021** which provided assurance on the effectiveness of Sefton Council's ('the Council') arrangements in countering fraud, bribery and corruption and the work carried out during the past financial year to minimise the risk of fraud. This supported the requirements of the Accounts and Audit Regulations (England) 2015, which states that the Council must have measures in place 'to enable the prevention and detection of inaccuracies and fraud'. The report also met one of the key actions from Sefton's self- assessment against the Chartered Institute of Public Finance and Accountancy (CIPFA's) Code of Fraud Practice that the Audit and Governance Committee receives regular quarterly updates on counter fraud activity of the Assurance Team.

The report provided an update on counter fraud activities during the period 1 April 2020 to 31 March 2021, demonstrated how the Council dealt with some of the fraud risks it was subjected to and outlined how resources available had been used to tackle fraud and emerging priorities going forward.

- 7.4 At its Meeting held on 16 March 2022 the Committee considered the following key reports:

- 7.4.1 **ICT Acceptable Usage Policy** – The Committee gave its approval for

the revised security policy relating to the authority's ICT estate – ensuring that Sefton's ICT was operating in line with industry standards for ICT Security Management. The policy document was a yearly review of the ICT Acceptable Usage Policy previously reviewed by the Audit and Governance Committee on 16 December 2020. The revised policy was given final approval by Council on 21 April 2022.

7.4.2 Sefton Council Annual Money Laundering Policy Update – The report advised that Guidance from the Chartered Institute of Public Finance and Accountancy ("CIPFA") indicated that local authorities should comply with the underlying spirit of the legislation and regulations. Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them and may also lead to a conviction under Proceeds of Crime Act 2002 and Money Laundering Regulations 2017. The Sefton Council Anti-Money Laundering policy had been approved by Audit & Governance Committee on 16 December 2020 and there had been no changes in the regulations and no contraventions of the Anti-Money Laundering policy had occurred since then.

7.5 On 23 June 2021, the Committee considered a report submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution on Bootle Strand, and Surrounding Area and the Committee agreed that a response to the issues raised be provided in the form of a presentation by the Executive Director Place at the following meeting. Accordingly, the Executive Director Place provided a comprehensive presentation on Bootle Strand and Surrounding Areas at the meeting held on 15 September 2021. The Presentation slides were provided to Members following the meeting and also placed in the Mod Gov Library.

8.0 Audit and Governance Committee Member Training and Development

To comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) advice that regular briefings and training are essential to keep Audit and Governance Committee Members up-to-date, confident and effective in their role, on 16 March 2022 the Committee gave its approval for a programme of Audit and Governance Committee briefing sessions based on the key competencies outlined by CIPFA which would be held for one hour prior to scheduled meetings of the Audit and Governance Committee. Details of the programme of briefings are set out in Appendix 4 to this report.

The report also indicated that as the Audit and Governance and Treasury Management functions cut across all Council business it would be helpful for 2 courses to be available for all Sefton Councillors – namely (1) Introduction to Audit and Governance and (2) Treasury Management. The Committee therefore gave its approval for both of these courses to

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be included in the Member Development Handbook provided to Councillors at the start of the Municipal Year. This is in line with CIPFA code which states:

“The responsible officer will ensure that board/council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively”.

CIPFA stresses the importance of Audit and Governance Committee Members being committed to and ‘buying into’ training and development regardless of previous knowledge and skills they had when they joined the committee; ensuring that their knowledge is kept up to date, giving them more confidence and understanding of their role as A&G Committee members and helping to facilitate effective, participation and decision making at meetings.

To further support Audit and Governance Committee Members, a comprehensive library of information is available in the Audit and Governance Committee folder found in the Mod Gov Library, comprising CIPFA information documents and slides from A&G member briefing sessions - accessed via the following link: smbc-modgov-03/ecCatDisplay.aspx?sch=doc&cat=13922

9.0 Outcomes / Achievements

The work undertaken by the Committee has provided additional assurance of the robustness of the Council’s arrangements regarding corporate governance, risk management and internal management of controls. The Committee has added value through the importance placed upon governance issues, risk management, anti-fraud and assurances that key risks are being mitigated.

The introduction of a Work Programme for the Audit and Governance Committee is seen as a positive step in ensuring that the Committee remains on track with its ambitious schedule of work.

The introduction of a programme of Member Briefings to be held prior to each Committee Meeting based on key competencies outlined by CIPFA will help ensure that Members have the necessary skills to carry out their role effectively.

10.0 Conclusion

- 10.1 The Committee has the benefit of being well supported by Council officers including the Section 151 Officer, the Monitoring officer and the Chief Internal Auditor as well as the Council's external auditors.
- 10.2 During 2021/22 the Audit and Governance Committee has consolidated the progress that has been made in previous years in providing robust scrutiny and challenge of the Committees Terms of Reference and in doing so the Committee has continued to have a real and positive contribution to the governance arrangements of the Council.
- 10.3 In order to build on the key achievements of 2021/22 and in looking forward to the Committee's work programme for 2022-2023 the Committee will:
- Continue to review all elements of the governance arrangements associated with Audit and Governance Committee ensuring that best practise is adopted in a timely fashion;
 - Continue to support the Council in managing the risk of fraud and corruption.
 - Continue to support the work of audit.
 - Continue to consider the effectiveness of the Council's risk management arrangements.
 - Continue to provide effective challenge and scrutiny of all areas of the Audit and Governance Terms of Reference giving the appropriate assurances to the Council.
 - Continue to provide Audit and Governance Committee Members with training to help ensure that they remain up-to-date, confident and effective in their role on the Committee.

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Audit and Governance Committee Annual Work Programme 2021/22

Agenda item	Inclusion rationale	June	July If required	Sep.	Dec.	March
Produce annual report of the Audit and Governance Committee (to full Council)	Terms of Reference			√		
Review of effectiveness of the Audit and Corporate Governance Committee – complete self- assessment	Good practice	√				
Review Audit and Corporate Governance Committee training requirements	Good practice			√		
Review and approve Annual Work Plan for the Audit and Governance Committee	Good practice					√
Review of the Audit and Corporate Governance Committee's Terms of Reference	Good Practice				√	
Internal Audit						
Page 117 Performance update on Risk and Audit Team including: <ul style="list-style-type: none"> • Audit Team • Health and Safety • Counter Fraud • Insurance and other risk areas such as Business Continuity 	Terms of Reference	√		√	√	√
Annual Opinion of the Chief Internal Auditor including: <ul style="list-style-type: none"> • review of impairment on independence and objectivity • QAIP • Assessment against PSIAS and LGAN 	Terms of Reference	√				
Approval of the Annual Internal Audit Plan and review of Internal Audit Charter	Terms of Reference					√
Provide a report on the completion of audit recommendations including those not implemented within a reasonable timescale	Terms of Reference				√	
Annual report on the follow up of Internal Audit recommendations	Terms of Reference				√	
Risk Management						

Audit and Governance Committee Annual Work Programme 2021/22

Agenda item	Inclusion rationale	June	July If required	Sep.	Dec.	March
Review of the Quarterly Corporate Risk Register	Terms of Reference	✓		✓	✓	✓
Approval of the review of the Corporate Risk Management Handbook	Terms of Reference				✓	
Provide a regular report on health and safety	Terms of Reference	✓		✓	✓	✓
Monitor role						
Reporting of the anti- fraud, bribery and corruption strategy	Terms of Reference	✓		✓	✓	✓
Provide an annual report on the Council's anti fraud strategy	Terms of Reference			✓		
Review of Whistleblowing Policy	Terms of Reference				✓	
Review of Financial Procedure Rules (if required)	Terms of Reference				✓	
Review of CIPFA Financial Management Code	Good Practice	✓				
Review of the Members Code of Conduct	Terms of Reference			✓		
Review the annual governance statement	Terms of Reference			✓		
Provide an annual report on the Council's Anti-Money Laundering Policy	Terms of Reference				✓	
Accounts, Financial Statements & Treasury Management						
Approval of the audited Statement of Accounts (including the Annual Governance Statement, the external auditor's audit results report and the Letter of Representation)	Terms of Reference			✓		
External Auditor Annual Audit Letter	Terms of Reference	✓				

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Audit and Governance Committee Annual Work Programme 2021/22

Agenda item	Inclusion rationale	June	July If required	Sep.	Dec.	March
External Auditor Annual Report re. grant work	Terms of Reference	√				
Treasury Management Outturn	Terms of Reference			√		
Treasury Management In-Year Position	Terms of Reference			√	√	√
Write-offs of debt above £10,000 (if required)	Terms of Reference	√		√	√	√

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AUDIT AND GOVERNANCE COMMITTEE

TERMS OF REFERENCE

Constitution Chapter 7 Regulatory and Other Committees

Committee	Membership	Functions
8 Audit and Governance committee	10 Members of the Authority to form a politically balanced Committee	To consider and approve the Council's accounts, internal control systems and corporate governance issues.

Statement of purpose

77 The Audit and Governance Committee is a key component of Sefton's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

78 The purpose of the Audit and Governance Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Sefton's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, risk and control

79 To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.

80 To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and

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effectiveness of the council's framework of governance, risk management and control.

- 81 To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 82 To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- 83 To monitor the effective development and operation of risk management and Corporate Governance in the Council.
- 83 To monitor progress in addressing risk-related issues reported to the committee including the Corporate Risk Register.
- 85 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 86 To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- 87 To monitor the following activities:
 - Counter-fraud/ bribery strategy, actions and resources.
 - Whistleblowing
 - Money Laundering
 - Council Complaints Process including make payments or provide other benefits in cases of maladministration etc. under Section 92 of the Local Government Act, 2000 in excess of £1,000.
 - Breaches of Financial Procedure Rules and Contract Procedure Rules
- 88 To review the governance and assurance arrangements for significant partnerships or collaborations and where appropriate obtain annual third party assurance statements.
- 89 To make recommendations to Council for amendments to the Constitution including financial procedure rules.

- 90 To make recommendations to the Council on the adoption, implementation and maintenance and review of a local Code of Conduct for Members – co-opted Members and officers of the Council.
- 91 To determine effective training of Councillors and Co-opted Members in matters of conduct and advice to individuals on issues relating to the treatment of interests and on the propriety of conduct generally.
- 92 To deal with the arrangements for Councillors to receive dispensations to speak on, or participate in, matters in which they have an interest.
- 93 To determine the appropriate action on matters referred to the Committee by the Monitoring Officer including disciplinary matters relating to the conduct of individual and/or groups of Councillors including alleged misuse of a Members Self-Maintained Website.
- 94 To ensure compliance throughout the Council with all appropriate Codes of Conduct, including the Protocol for relationships between members and officers of Sefton Council, and procedures from time to time determined by the Committee
- 95 To deal with appropriate matters referred to it from other Committees.
- 96 To determine any applications for the grant and supervision of exemptions from political restrictions in accordance with Section 3A of the Local Government and Housing Act 1989.
- 97 To determine whether a valid petition for a Community Governance review has been received and to determine the terms of reference for such a review, how the review will be conducted including the required consultation and consider replies to a consultation and then make a recommendation to Full Council on the preferred outcome. The Committee has the authority to establish a working group to undertake the committee's responsibilities in this regard.

Internal audit

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- 98 To approve the internal audit charter.
- 99 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 100 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 101 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 102 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 103 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
- 104 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include
 - a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - b) regular reports on the results of the Quality Assurance Improvement Plan (QAIP)
 - c) reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Assurance Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement (AGS).
 - d) to consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

- 105 To consider the head of internal audit's annual report:
- a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
- 106 To consider summaries of specific internal audit reports as requested.
- 107 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- 108 To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- 109 To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (see Appendix A).
- 110 To provide free and unfettered access to the Audit and Governance Committee Chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

- 111 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- 112 To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- 113 To consider specific reports as agreed with the external auditor.

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- 114 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 115 To commission work from internal and external audit.
- 116 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Other Assurance areas

- 117 To consider the Council's arrangements for health and safety and receive regular assurances and assessments on the effectiveness of these arrangements.
- 118 To consider write-offs of debt/ assets above £10,000.
- 119 To regularly review the Council's Treasury Management activities

Financial reporting

- 120 To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 121 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

- 122 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
- 123 To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

124 To publish an annual report on the work of the committee.

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APPENDIX 4

Proposed Schedule of Member Briefing Sessions for 2022-2023 and 2023-2024 Municipal Years - based on the CIPFA recommended Core Areas of Knowledge for Audit and Governance Committee Members

<u>2022-2023 Municipal Year</u>		
Knowledge area / Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>Treasury management</u></p> <p>16 March 2022</p> <p><i>Also, to be provided to all Councillors at a later date (tbc) as part of the Member Development Programme</i></p> <p>Facilitators: Treasury Management Consultants - Arlingclose</p>	<p>Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: regulatory requirements; treasury risks; the organisation's treasury management strategy; the organisation's policies and procedures in relation to treasury management.</p> <p style="text-align: right;">See also Treasure Your Assets (CfPS).</p>	<p>Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.</p>
<p><u>Organisational knowledge</u></p> <p>22 June 2022</p> <p>Facilitators:</p> <ul style="list-style-type: none"> • Executive Director Corporate Resources and Customer Services • Chief Legal and Democratic Officer 	<p>An overview of the governance structures of the authority and decision-making processes.</p> <p>Knowledge of the organisational objectives and major functions of the authority.</p>	<p>This knowledge will be core to most activities of the audit committee including review of the AGS, internal and external audit reports and risk registers.</p>

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Knowledge area /Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>Audit committee role and functions</u> (Chapters 3 and 6)</p> <p>7 September 2022</p> <p>Facilitator:</p> <ul style="list-style-type: none"> • Chief Legal and Democratic Officer 	<p>An understanding of the audit committee’s role and place within the governance structures. Familiarity with the committee’s terms of reference and accountability arrangements.</p> <p>Knowledge of the purpose and role of the audit committee.</p>	<p>This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others.</p>
<p><u>Financial management and accounting</u> (Chapter 4)</p> <p>(Annual Statement of Accounts)</p> <p>23 November 2022</p> <p>Facilitators:</p> <ul style="list-style-type: none"> • Executive Director of Corporate Resources and Customer Service • Service Manager - Finance 	<p>Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.</p> <p>Understanding of good financial management principles.</p> <p>Knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of Chief Financial Officers in Policing (2018).</p>	<p>Reviewing the financial statements prior to publication, asking questions.</p> <p>Receiving the external audit report and opinion on the financial audit .</p> <p>Reviewing both external and internal audit recommendations relating to financial management and controls.</p> <p>The audit committee should consider the role of the CFO and how this is met when reviewing the AGS.</p>

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Knowledge area /Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>Governance</u> (Chapter 4)</p> <p>14 December 2022</p> <p>Facilitator:</p> <ul style="list-style-type: none"> • Chief Legal and Democratic Officer 	<p>Knowledge of the seven principles of the CIPFA / Solace Framework and the requirements of the AGS.</p> <p>Knowledge of the local code of governance.</p>	<p>The committee will review the local code of governance and consider how governance arrangements align to the principles in the framework.</p> <p>The committee will plan the assurances it is to receive in order to adequately support the AGS.</p> <p>The committee will review the AGS and consider how the authority is meeting the principles of good governance.</p>
<p><u>Internal audit</u> (Chapter 4)</p> <p>15 March 2023</p> <p>Facilitator:</p> <p>Chief Internal Auditor</p>	<p>An awareness of the key principles of the PSIAS and the LGAN.</p> <p>Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled.</p>	<p>The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards.</p> <p>The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. The committee will also receive the annual report, including an opinion and information on conformance with professional standards.</p> <p>In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed.</p> <p>The audit committee chair is likely to be interviewed as part of the external quality assessment and the committee will receive the outcome of the assessment and action plan</p>

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<u>2023-2024</u> <u>Municipal Year</u>		
Knowledge area /Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>External audit</u> (Chapter 4)</p> <p>June 2023</p> <p>Facilitators:</p> <ul style="list-style-type: none"> • External Auditors (EY) • Service Manager - Finance 	<p>Knowledge of the role and functions of the external auditor and who currently undertakes this role.</p> <p>Knowledge of the key reports and assurances that external audit will provide</p> <p>Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken.</p>	<p>The audit committee should meet with the external auditor regularly and receive their reports and opinions.</p> <p>Monitoring external audit recommendations and maximising benefit from audit process.</p> <p>The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service area.</p>
<p><u>Financial management and accounting</u> (Chapter 4)</p> <p>(Annual Statement of Accounts)</p> <p>Date: September 2023 – <i>tbc</i> - <i>depending on the date of the A&G meeting for consideration of the Statement of Accounts</i></p> <p>Facilitators:</p> <ul style="list-style-type: none"> • Executive Director of Corporate Resources and Customer Service • Service Manager – Finance 	<p>Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.</p> <p>Understanding of good financial management principles.</p> <p>Knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of Chief Financial Officers in Policing (2018).</p>	<p>Reviewing the financial statements prior to publication, asking questions.</p> <p>Receiving the external audit report and opinion on the financial audit .</p> <p>Reviewing both external and internal audit recommendations relating to financial management and controls.</p> <p>The audit committee should consider the role of the CFO and how this is met when reviewing the AGS.</p>

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Knowledge area / Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>Risk management</u> (Chapter 4)</p> <p>December 2023</p> <p>Facilitator: Chief Internal Auditor</p>	<p>Understanding of the principles of risk management, including linkage to good governance and decision making.</p> <p>Knowledge of the risk management policy and strategy of the organisation.</p> <p>Understanding of risk governance arrangements, including the role of members and of the audit committee.</p>	<p>In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements and should also have awareness of the major risks the authority faces. Keeping up to date with the risk profile is necessary to support the review of a number of audit committee agenda items, including the risk-based internal audit plan, external audit plans and the explanatory foreword of the accounts.</p> <p>Typically, risk registers will be used to inform the committee.</p> <p>The committee should also review reports and action plans to develop the application of risk management practice</p>
<p><u>Counter fraud</u> (Chapter 4)</p> <p>March 2024</p> <p>Facilitator: Chief Internal Auditor</p>	<p>An understanding of the main areas of fraud and corruption risk to which the organisation is exposed.</p> <p>Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)</p> <p>Knowledge of the organisation's arrangements for tackling fraud.</p>	<p>Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy.</p> <p>An assessment of arrangements should support the AGS and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment.</p>

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2024-2025 Municipal Year		
Knowledge area /Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>Values of good governance</u> (Chapter 5)</p> <p>June 2024</p> <p>Facilitator: Chief Legal and Democratic Officer</p>	<p>Knowledge of the Seven Principles of Public Life.</p> <p>Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff</p> <p>Knowledge of the whistleblowing arrangements in the authority</p>	<p>The audit committee member will draw on this knowledge when reviewing governance issues and the AGS.</p> <p>Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The audit committee member should know to whom concerns should be reported.</p>

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Agenda Item 12

Report to:	Cabinet	Date of Meeting	1 September 2022
	Council		29 September 2022
Subject:	Allocation of Supplemental Substance Misuse Treatment & Recovery Grant		
Report of:	Director of Public Health	Wards Affected:	All
Portfolio:	Cabinet Member - Health and Wellbeing		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary

To request permission to accept the Supplemental Substance Misuse Treatment and Recovery Grant and allocate it accordingly. In February 2022, the Office of Health Inequalities and Disparities (OHID) Department of Health & Social Care announced additional supplemental drugs funding which all Local Authorities are eligible to receive through a Section 31 Grant to support the delivery of the December 2021 national drug strategy. In April, Sefton council received notification of the 3yrs funding from 2022/23 to 2024/25 subject to the submission of a OHID approved plan. The Sefton high level plan and 2022/23 detailed plan has now been approved. Detailed plans outlining the interventions for 2023/24 and 2024/25 will be required to be submitted for approval before the start of each of those years.

Sefton Council will receive this enhanced funding for 3yrs starting from 2022/23. See allocation table below:

	2022/23	2023/24	2024/25
Supplemental Sub Misuse Treatment & Recovery Grant	£1, 002,318	£1,642,287*	£3,169,979*

* Indicative Figs

Recommendation(s):

Cabinet:

(1) That Council be recommended to approve the acceptance of the Supplemental Substance Misuse Treatment and Recovery Grant as detailed within the report.

(2) Subject to Council approving the acceptance of the Grant, approve the proposed contract variations to the current contracts with CGL and WAwY for the

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services to deliver the funded interventions.

(3) Delegate authority to the Head of Health and Wellbeing / Director of Public Health to:

- To issue a contract variation to uplift the contract by an additional £772,068 in the first instance and the uplift for years 2 & 3 by the amounts yet to be determined, with CGL for the provision of Substance Use: Assessment, Treatment and Recovery Services.
- To add via a contract variation an additional £110,250 to the contract with WAwY and uplift any subsequent contracts for years 2 & 3 of the Grant.

Council:

(1) Council be recommended to approve the acceptance of the Supplemental Substance Misuse Treatment and Recovery Grant as detailed within the report.

Reasons for the Recommendation(s):

The Supplemental Substance Misuse Treatment and Recovery Grant should be used by LAs to directly address the aims of the treatment and recovery section of the drug strategy. The additional funding should deliver:

- New high-quality treatment places, including:
 - New places for opiate and crack users,
 - a treatment place for every offender with an addiction
 - New treatment places for non-opiate users and alcohol users
 - More young people in treatment
- More people in long-term recovery from substance dependence
- More medical, mental health and other professionals within the drug treatment system
- Additional drug and alcohol and criminal justice workers
- Sufficient commissioning and co-ordinator capacity in every local authority

The expectation is that each local area will deliver against the above aims and meet national reporting and monitoring requirements. In order to achieve these outcomes, it is necessary to transfer funds to the current providers of Substance Use: Assessment, Treatment and Recovery Services and Young People & Families Substance Use Service.

The local intention is to expand the treatment provision within the existing services to improve access by creating more treatment places and improving quality by reducing caseloads; enhance recovery activities and improve the skill mix within the existing workforce.

The allocation is to support a range of Treatment, Assessment and Recovery interventions for the local substance use population via the local services. Many of the

potential beneficiaries have an already established relationship with these services
The service providers have well established Treatment, Assessment & Recovery pathways in place across the system and are best placed to successfully deliver the interventions.

Process

The Contract Procedure Rules (CPR) requires authorisation by the Cabinet to allocate £772,068 to the current provider of Substance Use: Assessment, Treatment and Recovery Services, Change, Grow, Live, (CGL) of the £1,002,318 received in year 1 (2022/23) and £110,250 in year 1 (2022/23) to the current provider of Young People & Family Substance Use Service, We Are with You (WAwY) and also funding for subsequent years (amount yet to be determined), for delivery of the OHID approved plans.

Please note should the amount of funding to be transferred for Yr.2 & Yr.3 not meet with the requirements stated below a subsequent report will be submitted for approval.

There is provision for this allocation via a contract variation using Regulation 72 of the Public Contract Regulations which states:

“Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:

(c)where all of the following conditions are fulfilled: —

(i)the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;

(ii)the modification does not alter the overall nature of the contract;

(iii)any increase in price does not exceed 50% of the value of the original contract or framework agreement.

The Grant funding could not have been envisaged when the Council originally procured these services that were advertised in the Official Journal of the European Union (OJEU) and the Find a Tender Service (FTS) respectively. The 3-year funding opportunity was only announced in Q4 of 2021/22. Both contracts had been procured and awarded prior to Q4 of 2021/22.

The allocation is to support a range of Treatment, Assessment and Recovery interventions for the local substance use population aligned to the current local services offer.

The additional grant funding does not exceed 50% of the original contract annual value and remains within the original advertised scope of the contract.

Alternative Options Considered and Rejected: (including any Risk Implications)

The only other option would be to procure other providers to deliver against the additional funding and this has been rejected due to economic and operational reasons. To commission other substance use services to meet the aims of the Grant would be a

Agenda Item 12

duplication of existing service provision, duplication of some costs and any economies of scale will be lost.

What will it cost and how will it be financed?

(A) Revenue Costs

Full costs of the proposed interventions will be covered by external Dept of Health & Social Care Section 31 Grant Funding.

(B) Capital Costs

None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

External grant funding has been received from Department of Health & Social Care which will cover the costs of the proposed delivery of the interventions by the services. Detailed one-year plans will be required to be submitted and approved for receipt of indicated grant funding for 2023/4 and 2024/5.

Legal Implications:

The Procurement Legislative Framework and the Council's Contract Procedure Rules and Finance Procedure Rules.

Sefton Council will agree contract variations with CGL and WAwY in the first instance, subject to the terms and conditions of the existing contracts to ensure delivery of expected outcomes against deliverable activities.

Equality Implications:

There are no equality implications.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

The proposed contract variations to the current contracts with CGL and WAwY for the services to deliver the funded interventions will have a neutral impact.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Investment in drug service interventions to support Sefton residents effected by substance use.

Facilitate confident and resilient communities: Investment in drug service interventions

to support communities from the direct and indirect impacts of substance use.
Commission, broker and provide core services: Not applicable
Place – leadership and influencer: Not applicable
Drivers of change and reform: A new 10year National Drugs Strategy
Facilitate sustainable economic prosperity: Not applicable
Greater income for social investment: Not applicable
Cleaner Greener: Not applicable

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director Corporate Resources and Customer Services (FD.6884/22) and Chief Legal and Democratic Officer (LD. 5084/22) have been consulted and any comments have been incorporated into the report.

Cabinet Member for Health & Wellbeing and Executive Director (People) have been consulted.

(B) External Consultations

Discussion of the proposed plans with service providers CGL and WAWY.

Implementation Date for the Decision

Immediately following the Committee / Council meeting.

Contact Officer:	Julie Tierney
Telephone Number:	07816115538
Email Address:	julie.tierney@sefton.gov.uk

Appendices:

There are no appendices

Background Papers:

There are no background papers available for inspection.

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1. Background

Sefton Council have been successful in securing an estimated £5,814,584 of external grant funding over a 3-year period from Dept of Health & Social Care. The funding will be used to deliver a range of interventions to support people who use drugs and alcohol, and contribute to improving outcomes for them, their families, and the wider community. Delivery of outcomes will be monitored nationally via the National Drug Treatment Monitoring System (NDTMS) and OHID.

2. The Proposal

2.1 Sefton's plans have been developed in collaboration with people from across the local substance use treatment pathway and reflects identified gaps and areas of need. The Sefton plan has been approved by OHID.

3. Breakdown of Interventions

3.1 Year 1 Funding will be split between CGL, Sefton Council and We Are with You. details outlined below.

Organisation	Funding -Yr 1	Funded Intervention
Change, Grow, Live (CGL)	£772,068	More treatment places & increased staffing to reduce caseloads. Broaden the skill mix within workforce.
		Naloxone Provision
		Outreach
		Novel Long Lasting Opiate Substitute Treatment Pilot
		Needle Exchange
		Increased mental health support in service
		Continuity of care from non-criminal justice settings
		Recovery communities and peer support networks
Young People & Families Service (We Are with You)	£110,250	Expansion of Young People's support places
Sefton Council	45k	Commissioning Support, monitoring & BI
Sefton Council	75k	Residential Rehab Placements

4. Next Steps

4.1 A memorandum of understanding will be signed between Sefton Council and OHID which outlines expected outcomes and the funding allocation.

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A contract variation to be drafted and signed by both parties and added to the existing sealed contract with Change, Grow, Live (CGL).

A contract variation to be drafted and signed by both parties and added to the sealed contract with We Are with You (WAwY) for 2022-23. The Provider maybe subject to change in years 2 & 3.

Detailed one-year plans outlining interventions for 2023/24 and 2024/25 will be required to be submitted to OHID before the start of each of those years for approval and receipt of years 2 and 3 funding as indicated in the summary table above.

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COUNCIL – 29 SEPTEMBER 2022

REPORT OF THE LEADER OF THE COUNCIL

COUNCIL CONSTITUTION – RULE 46 (WAIVING CALL-IN) PROVISIONS

I wish to report that the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) gave her consent, under Rule 46 (Waiving Call-In) of the Access to Information Procedure Rules set out in the Council's Constitution. The report was in relation to Land at Formby Point, Lifeboat Road and Ravenmeols, Formby and not subject to "call in" on the basis that it cannot be reasonably deferred because if call in was to apply, by the time the call in period had ended it would be too late to extend the Call Option Agreement for Land and the Council would either have to purchase back the land on the same terms as the disposal to the National Trust or permanently lose control over the land and securing delivery of the Project by the National Trust.

CABINET MEMBER – REGULATORY, COMPLIANCE AND CORPORATE SERVICES – 13 SEPTEMBER 2022

Land at Formby Point, Lifeboat Road and Ravenmeols, Formby

The Cabinet Member considered a report by the Executive Director for Corporate Resources and Customer Services seeking approval to a two-year extension to the Call Option Agreement Over Land in relation to Land at Formby Point, Lifeboat Road and Ravenmeols between The National Trust for Places of Historic Interest or Natural Beauty and Sefton Council.

Decision Made: That

- (1) approval be granted to a two-year extension to the Call Option Agreement Over Land in relation to Land at Formby Point, Lifeboat Road and Ravenmeols between The National Trust for Places of Historic Interest or Natural Beauty (National Trust) and Sefton Council (the Council), as detailed within this report.
- (2) the Chief Legal and Democratic Officer be authorised to complete the necessary legal formalities.
- (3) It be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) had given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because if call in was to apply, by the time the call-in period has ended it would be too late to extend the Call Option Agreement for Land and the Council would either have to purchase back the land on the same terms as the disposal to the National Trust or permanently lose control over the land and securing delivery of the Project by the National Trust.

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Reasons for the Decision(s):

The Call Option Agreement Over Land (the Agreement) specifies a deadline of Wednesday 14 September 2022 for the Gate 2 Approval (which includes: a project team, plans and specification is in place; statutory permissions obtained; procurement strategy in place; funding underway; Project Management Plan; National Trust funds released; and Conservation Management Plan, Community Involvement Plan, Learning Plan, and Marketing Plan in place). The National Trust advised Council Officers in late August that due to Covid and other factors, this deadline cannot be achieved. If the Agreement is extended, the National Trust will be given an additional two years to deliver on the Gate 2 Project and will reserve the Council's option to buy back the land if it fails to deliver the Project at the expiry of the additional two years.

Alternative Options Considered and Rejected: (including any Risk Implications)

If the deadline lapses, the Council will be forced to either buy back the land or permanently lose the control over the land and securing delivery of the Gate 2 Project by the National Trust.

COUNCIL MOTION

29 SEPTEMBER 2022

PROPOSED BY: Councillor Pugh

SECONDED BY: Councillor Lloyd-Johnson

PUBLIC HEALTH OUTCOMES FRAMEWORK REPORT

This Council has considered the Public Health Outcomes Framework Report (as submitted to the meeting of the Overview and Scrutiny Committee (Adult Social Care and Health) on 21 June 2022, link attached: [Sefton Home](#)) in conjunction with recent reports from Sefton Healthwatch and is seriously concerned by the growing pattern of health inequalities in the borough.

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COUNCIL MOTION

29 SEPTEMBER 2022

PROPOSED BY: Councillor Irving

SECONDED BY: Councillor Bennett

PART 5 OF SECTION 6.7 OF SEFTON COUNCIL'S STATEMENT OF COMMUNITY INVOLVEMENT

That Part 5 of Section 6.7 of Sefton Council's Statement of Community Involvement which currently states:

"5. Other minor development / changes of use other than (2) and (3) above

No notification - site notice at front of the property with other notices displayed dependent on-site characteristics"

be amended to read:

"5. Other minor development / changes of use other than (2) and (3) above

Notification - require consultation with Parish Councils and Ward Members and site notice at front of the property with other notices displayed dependent on-site characteristics".

Background

Support is sought to amend part 5 of Section 6.7 of Sefton Council's Statement of Community Involvement in order to remove the unnecessary ill feeling that it has or could cause as on this occasion to Formby Residents with alleged threats of violence and damage resulting in Police involvement. It also brought Sefton Council's Planning Department into disrepute even though they used the correct procedure in this matter. Amending this section would give clarity to the present planning system in Sefton M.B.C. and stop similar situations arising in future.

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COUNCIL MOTION

29 SEPTEMBER 2022

PROPOSED BY: Councillor Irving

SECONDED BY: Councillor Richards

BANNING THE SALE OF DISPOSABLE BARBECUES IN ENGLAND

That this Council supports this motion in writing to the Government in the hope that they take the initiative in bringing legislation forward for a national ban on the sale of disposable barbecues throughout England.

Background

Disposable barbecues have been cited as the main cause of many fires by Senior Fire Officers in England this year, in which over 500 areas of outstanding natural beauty have been severely damaged by fire. Urgent action is needed now to see a national ban on the sale of disposable barbecues which can be bought for as little as £5.00 and cause untold damage, especially when the grass is as dry as it has been over the last few months. Sefton Council in their wisdom banned the use of Barbecues in our area in 2021 and continued their ban on them this year. Large brightly painted banners have been displayed at the entrances to Formby's Special Area of Conservation which is the jewel in the crown for Sefton's Environment attraction. The signs which state No Barbecues or Fires have been ignored repeatedly by visitors and the area has suffered a serious grass fire. You only have to walk around the Dunes to see the remnants of the used barbecues left behind. Should this situation be ignored I fear that we could suffer a serious environmental disaster to our area.

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COUNCIL MOTION

29th September 2022

PROPOSED BY: Cllr Mike Prendergast

SECONDED BY: Cllr Tony Brough

DBS Checks for Elected Members

In addition to complying with the provisions of The Local Government (Disqualification) Act 2022 this Council recognises that due to the roles and responsibilities of being a councillor, it would be in the best interests of this Council, councillors and members of the public that all elected members are subject to a Basic DBS Check on taking office.

This would give the public confidence that the members who represent them are held to high standards (in line with many professions), in keeping with what one would expect from those who hold public office.

It is resolved that:

1. Within 28 days of this meeting all current Sefton MBC councillors or within 28 days of becoming elected in the future, all councillors of Sefton MBC should apply for a Basic DBS Check (which they should pay for themselves) and make the results known to the Council's Monitoring Officer.
2. It will be recorded on the Council's website that a basic DBS Check has been undertaken and the results are such that the councillor is not barred from being a councillor of Sefton MBC.

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COUNCIL MOTION

29 SEPTEMBER 2022

PROPOSED BY: Cllr Sir Ron Watson CBE

SECONDED BY: Cllr Mike Prendergast

TITLE: Freedom of the Borough

On 15th July 2021 the Council agreed to grant the Freedom of the Borough to Aintree and Liverpool NHS Foundation Trust, Southport and Ormskirk NHS Trust, Alder Hey Children's NHS Trust and Mersey Care NHS Trust and for representatives of those bodies to be invited to an Extra-ordinary Council meeting and civic reception in due course, in recognition of their hard work and dedication during the Covid-19 pandemic.

The Council would like to put on record that whilst the honour is to be bestowed on the organisations named above, the Council extends its gratitude to all NHS institutions who have provided services within Sefton and to Sefton residents during the pandemic and no discourtesy is intended by naming the four organisations as representatives of the wider NHS community.

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SEFTON LABOUR GROUP

NOTICE OF MOTION

TO BE PUT TO THE COUNCIL MEETING ON 29 SEPTEMBER 2022

Moved by: Councillor Ian Moncur

Seconded by: Councillor tbc

SMOKING IMPACT ON PUBLIC HEALTH

Sefton Council notes that:

- Preventable disease continues to have a massive impact on the public's health, the NHS and the economy.
- Tobacco is the biggest preventable cause of cancer and premature death in the UK.
- Decades of comprehensive policy action have meant adult smoking prevalence in the UK in 2019 was at a record low at 14.1%, but this masks significant inequality.
- Differences in smoking rates make it one of the leading drivers of health inequalities, responsible for half the difference in life expectancy between the lowest and highest income groups in England.

Further notes:

- That through their public health duties, local authorities are responsible for improving the health of their population and do this through services such as stop smoking services and wider tobacco control activities.
- Believes that Sefton must be adequately resourced to fulfil their public health duties.
- Supports Cancer Research UK's calls for a Smokefree Fund (a fixed annual charge on the tobacco industry, making the tobacco industry pay for the damage their products cause, without being able to influence how the funds are spent) to fund local tobacco control work, and urges this Conservative Government to consider implementing a Smokefree Fund as part of its efforts to tackle health inequalities.

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COUNCIL MOTION

29 September 2022

PROPOSED BY: Councillor Pugh

SECONDED BY: Councillor Sathiy

RAW SEWAGE ENTERING THE WATER COURSE

This Council:

- (1) is seriously disturbed by reports of raw sewage entering Sefton water courses and the potential impacts on health and tourism
- (2) recognises its legal responsibilities in relation to public health
- (3) calls on the relevant Water Utility companies to provide for the Council monthly data on these incidents and details of progress made to prevent and mitigate such episodes
- (4) believes that councils should have powers to fine water utility companies for preventable sewage dumping

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SEFTON LABOUR GROUP

NOTICE OF MOTION

TO BE PUT TO THE COUNCIL MEETING ON 29 SEPTEMBER 2022

Moved by: Councillor Diane Roscoe

Seconded by: Councillor Paulette Lappin

Air Quality Around Schools

This Council notes

Poor air quality affects people's health and damages the environment. In Sefton, there are two main pollutants of concern: nitrogen dioxide and fine particulate matter. The main source of these pollutants is road traffic, in particular diesel engines.

Sefton Council is committed to improving Air Quality in the Borough and is working on a number of initiatives to ensure that Sefton will be a place where improved health and wellbeing is experienced by all. This includes, but is not limited to, junction improvement works, measures to reduce congestion, a DEFRA funded Schools behaviour change project and Development of an Outline Business Case (OBC) for the consideration of a Sefton Based Clean Air Zone (CAZ), initiating a "school streets" scheme for some schools in Southport and plans to extend this programme into Bootle.. This work directly supports Sefton's 2030 vision of a cleaner, greener and healthier Borough

Poor air quality has a negative impact on public health, with potentially serious consequences for individuals, families and communities. Identifying problem areas, prioritising vulnerable residents and ensuring that actions are taken to improve air quality forms an important element in protecting the health and wellbeing of Sefton's residents.

Studies have shown that children's lungs are disproportionately vulnerable to air pollution as their lungs are still growing and that children who are exposed to severe air pollution are up to four times more likely to have poor lung development. Children are also more susceptible to respiratory infections and daily exposure to pollution has been shown to contribute to increased inflammation of the airways in healthy children and children with asthma. Children's height means they tend to be exposed to more roadside pollution than adults⁽¹⁾

Asthma + Lung UK have commissioned research that found that more than 25% of all British schools and colleges are surrounded by 'dangerously high' levels of air pollution. This is impacted by idling vehicles and unnecessary car trips to school instead of walking or cycling.⁽²⁾

Recent national research by Living Streets ⁽³⁾ found the following:-

1. Over a third (36%) are scared about walking to school because of speeding traffic.

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2. One in five children and young people are concerned about the lack of safe crossing points on their journey to school.
3. Over a third of primary school children surveyed reported being scared about walking to school because of speeding traffic. COVID Risk management restrictions have meant that classroom windows have to be left open increasing the risk of pollution to children, particularly in those buildings close to roads. Children and their families have to wait outside schools, making them more exposed to air pollution.

Recently, in a landmark decision, a nine-year-old girl Ella Adoo-Kissi-Debrah, who died in 2013 following an asthma attack has become the first person in the UK to have air pollution listed as a cause of death and that air pollution “made a material contribution” to her death after she was exposed to “excessive” levels of pollution.⁽⁴⁾

There are no safe levels for air pollution.

This Council resolves to:

Measure air quality around a sample of schools in the borough at child-head height to identify the level of air pollution children are being exposed to at school drop-off and pick-up.

Work with schools and local partners to swiftly identify and prioritise those schools in the borough that could put a “school streets” scheme in place where maximum benefit and impact could be achieved.

Work with schools and local partners to enable all schools that wish to take part in the “school streets” scheme to do so – taking advantage of experimental traffic orders and new statutory guidance over fast-tracked Traffic Regulation Orders where necessary.

Work with Southport Eco Centre to promote their clean air resources to local schools throughout the borough.

Introduce a ‘healthier air around our school’ award initiative that is linked to use of the resources and evidence of activity tackling parking around the school and encouraging active travel or sustainable transport to school.

Add ‘anti idling’ clauses to contracts that Sefton Council agrees with transport providers such as coach companies.

Continue to identify and pilot additional measures to improve air quality particularly near schools such as ‘living green walls’ and tree planting.

Continue to work alongside Steve Rotheram, the Liverpool City Region and all other local authorities who face similar air quality issues and to campaign nationally to improve air quality for all our residents, but particularly children.

(1) <https://www.blf.org.uk/sites/default/files/DEFRA%20consultation%20-%20draft%20UK%20air%20quality%20plan%20-%20May%202017.pdf>

(2) <https://www.asthma.org.uk/about/media/news/schools-surrounded-by-pollution/>

(3) <https://www.livingstreets.org.uk/media/1398/breakingdownthebarriers.pdf>

(4) <https://www.bbc.co.uk/news/uk-england-london-55330945>

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