



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

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL BOOTLE  
ON TUESDAY 6TH FEBRUARY, 2024**

PRESENT: Councillor Bradshaw (in the Chair)  
Councillor Byrom (Vice-Chair)  
Councillors Evans, Grace, Killen, McGinnity, McKee  
and Sir Ron Watson

ALSO PRESENT: Councillors Atkinson and Lappin

### **36. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors D'Albuquerque and Murphy.

### **37. DECLARATIONS OF INTEREST**

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

### **38. MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the Minutes of the meeting held on 9 January 2024 be confirmed as a correct record.

### **39. ASSET MANAGEMENT STRATEGY AND ASSET DISPOSAL POLICY 2024/25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Asset Management Strategy (the Strategy) and Asset Disposal Policy (the Policy) 2024/25.

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

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The Asset Management Strategy and Asset Disposal Policy 2024/25 were attached as appendices to the report.

This report would also be considered by Cabinet and Council at their meetings to be held on 8 and 29 February 2024 respectively.

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

- The criteria used for establishing what was an asset to meet the service delivery standard; and how liabilities associated with such assets impacted on the judgement of this.
- The expectation that disposals would be at market value predicated on the nature of the asset and any agreed mix of uses to obtain best consideration.
- In respect of the Asset Review, information was requested on the numbers of assets held for operational purposes, assets held for heritage reasons or other designated reasons, assets held to be developed or re-purposed, and asset to be disposed of to create a capital receipt.
- The asset disposal in respect of the development to the east of Buckley Hill Lane on the former Z Blocks land brownfield site.
- The list of sites and other property assets that were available for disposal was requested.

RESOLVED:

That Asset Management Strategy and Asset Disposal Policy 2024/25 be noted.

#### **40. PRUDENTIAL INDICATORS 2024/25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on Prudential Indicators 2024/25.

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

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

This report would also be considered by Cabinet and Council at their meetings to be held on 8 and 29 February 2024 respectively.

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The Committee was requested to consider the Prudential Indicators as the basis for compliance with the Prudential Code for Capital Finance in Local Authorities; and provide any comments to Council to be considered as part of the formal approval of the Prudential Indicators for 2024/25.

In respect of the business cases for projects that had now been approved by the Department for Levelling Up, Housing and Communities (referred to in paragraph 2.6 of the report) a Member of the Committee asked for information on what would happen if a change of government altered its funding commitments.

RESOLVED: That

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

**41. TREASURY MANAGEMENT POLICY AND STRATEGY 2024/25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Treasury Management Policy and Strategy 2024/25.

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

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

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

- (a) a Treasury Management Policy Document (attached as Appendix A to the report) which outlined the broad policies, objectives and approach to risk management of its treasury management

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activities;

- (b) a Treasury Management Strategy Document (attached as Appendix B to the report) which set out specific treasury activities that would be undertaken in compliance with the Policy in 2024/25;
- (c) suitable Treasury Management Practices, setting out the manner in which the organisation would seek to achieve these policies and objectives and prescribing how it would manage and control those activities; and
- (d) Investment Management Practices for investments that were not part of Treasury management activity.

Also attached to the report as Appendix C was the Minimum Revenue Provision Policy Statement 2024/25.

This report would also be considered by Cabinet and Council at their meetings to be held on 8 and 29 February 2024 respectively.

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

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

- The processes in place to ensure that external scrutiny of the Council's Treasury Management Policy and Strategy was undertaken.
- The assumptions taken into account regarding interest when drawing up the Council's budget.
- Confirmation was sought, and given, that the Council did not currently have any overseas investments.

RESOLVED:

That the report on the Treasury Management Policy and Strategy 2024/25 be noted.

#### **42. CAPITAL STRATEGY 2024/25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Capital Strategy 2024/25.

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

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

The Capital Strategy 2024/25 was attached to the report.

This report would also be considered by Cabinet and Council at their meetings to be held on 8 and 29 February 2024 respectively.

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

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

- Information was sought on the revenue implications arising from capital schemes; and what was the cumulative figure of all such revenue implications. It was noted that information was detailed in paragraph 3 of the Prudential Indicators 2024/25 report which detailed Prudential Indicator – Financing Costs/Net Revenue Stream.

RESOLVED:

That the Capital Strategy 2024/25 be noted.

**43. ROBUSTNESS OF THE 2024/25 BUDGET ESTIMATES AND THE  
ADEQUACY OF RESERVES – LOCAL GOVERNMENT ACT 2003 -  
SECTION 25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the robustness of the

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2024/25 Budget Estimates and the Adequacy of Reserves – Local  
Government Act 2003 - Section 25.

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

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

This report would also be considered by Cabinet and Council at their meetings to be held on 8 and 29 February 2024 respectively.

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

- The use of earmarked reserves of over £25m due to the unprecedented pressure in Childrens Services and from energy prices increases meaning that it was important that as the report says these should be replenished.
- The impact on the Council's budget if the independent Improvement Board Chair recommended that Children's Services provision be removed from the Council to an external trust. – no modelling has been undertaken on this as it had not been requested or suggested by any internal or external person or body
- The total figure of school reserves.

RESOLVED:

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

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

and that the Council is requested to have regard to the matters raised in this report during the final stages of determining the budget for 2024/25.

#### **44. REVENUE AND CAPITAL BUDGET PLAN 2024/25 – 2026/27 AND COUNCIL TAX 2024/25**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Revenue and Capital Budget Plan 2025/26 – 2026/27 and Council Tax 2024/25.

The report provided:

- an assessment of the Council's current financial position and approach to the 2024/25 Budget Plan and preparation for the additional two-year budget period 2024/25 to 2025/26
- an update on the Government's announcement of resources that were available to the Council for 2024/25
- the Council's current financial position and the assumptions built into the Medium-Term Financial Plan
- the proposed Budget for 2024/25; and
- the proposed Capital Programme for 2024/25 to 2026/27

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

Attached as appendices to the report were the individual school budgets 2024/25; budget saving proposals; draft Council budget summary 2024/25; and the Capital Programme 2024/25 – 2026/27.

This report would also be considered by Cabinet and Council at their meetings to be held on 8 and 29 February 2024 respectively. The Council would be recommended:

- (A) In respect of the Budget 2024/25 and Medium-Term Financial Plan from 2025/26 to 2026/27 to:
- (1) note the update of the Medium-Term Financial Plan for the period 2024/25 to 2026/27;
  - (2) approve the Revenue Budget for 2024/25 and authorise officers to undertake all of the necessary actions to implement the budget changes and proposals as detailed within the report;
  - (3) approve the release of the Environmental Warranty Earmarked Reserve and the transfer of the amount released to General Balances;
  - (4) approve the commencement of all appropriate activity required to implement the budget savings proposals as detailed in the report, including for example, consultation with employees and engagement with partners and contractual changes as the

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programme develops;

- (5) note that officers would comply with agreed HR policies and procedures including relevant consultation with Trade Unions and reports to the Cabinet Member - Regulatory, Compliance and Corporate Services as required.
  - (6) note the Schools' Forum decisions on the Dedicated Schools Grant and Individual School Budgets;
  - (7) approve the allocation of specific grants as detailed in the report; and
  - (8) approve, subject to the recommendations above, the overall Council Tax resolution for 2024/25 including Police, Fire, Mayoral and Parish Precepts;
- (B) In respect of the Capital Programme 2024/25 to 2026/27 to:
- (1) approve for inclusion within the Capital Programme the full list of projects in Appendix D;
  - (2) approve a supplementary capital estimate for £7.387m for the Corporate Essential Maintenance Programme Phase 2 funded by capital receipts; and
  - (3) approve a supplementary capital estimate for £1.865m for Green Sefton Equipment and Machinery funded by prudential borrowing.

The Committee was requested to consider the proposals within the report and to provide any comments to Cabinet which could be considered as part of the formal approval of the Budget Plan for 2024/25 – 2026/27 and the Council Tax for 2024/25.

A Member of the Committee asked a question about the impacts on the budget, and how they would be addressed, when income was anticipated but not achieved; and when losses were incurred that were not anticipated.

RESOLVED: That

- (1) the update of the Medium-Term Financial Plan for the period 2024/25 to 2026/27 be noted; and
- (2) the Executive Director of Corporate Resources and Customer Services and his staff be thanked for the production of the detailed reports for consideration at this meeting and their overall efforts in formulating the Council's budget for consideration by Council.