



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

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL BOOTLE  
ON TUESDAY 11TH FEBRUARY, 2025**

PRESENT: Councillor Bradshaw (in the Chair)  
Councillor Byrom (Vice-Chair)  
Councillors Evans, McNabb, Murphy, Catie Page,  
Parker, Shaw, Thomas and Sir Ron Watson

ALSO PRESENT: Councillor Howard

**36. APOLOGIES FOR ABSENCE**

No apologies for absence were received.

**37. DECLARATIONS OF INTEREST**

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

**38. MINUTES OF THE PREVIOUS MEETINGS**

RESOLVED:

That the Minutes of the meetings held on 14 and 20 January 2025 be confirmed as a correct record.

**39. ASSET MANAGEMENT STRATEGY AND ASSET DISPOSAL  
POLICY 2025/26**

The Committee considered the report of the Executive Director of Regeneration, Economy and Assets that provided an annual review of the Asset Management Strategy (the Strategy) and the Asset Disposal Policy (the Policy).

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, 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 would provide a framework for the planning, prioritisation, management and funding of the Council's asset base; and that these were statutory documents 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 were attached as appendices to the report.

This report would also be considered by Cabinet and Council at their meetings to be held on 13 and 27 February 2025 respectively.

RESOLVED:

That the Asset Management Strategy and Asset Disposal Policy be noted.

#### **40. PRUDENTIAL INDICATORS 2025/26**

The Committee considered the report of the Executive Director of Corporate Services and Commercial on the Prudential Indicators 2025/26.

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.

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 to provide any comments to Council for consideration as part of the formal approval of the Prudential Indicators for 2025/26.

Attached as appendix A to the report was a summary of Prudential Indicators

This report would also be considered by Cabinet and Council at their meetings to be held on 13 and 27 February 2025 respectively.

In respect of capital expenditure, a member of the Committee sought clarification on the differences in the estimated levels of annual expenditure, particularly the estimated £133.837m in 2025/26 to the estimated £52.543m in 2026/27.

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 submitted 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 2025/26**

The Committee considered the report of the Executive Director of Corporate Services and Commercial on the Treasury Management Policy and Strategy 2025/26.

The report indicated that the Council had adopted CIPFA's 2021 Code of Practice on Treasury Management in the Public Services which recommended the production of annual Treasury Management Policy and Strategy documents; that the Code required that the Council set a policy and strategy for the effective operation of the Council's Treasury Management function during the financial year; and that this would ensure that cash flow was adequately planned, surplus monies were invested commensurate with the Council's risk appetite whilst providing adequate portfolio liquidity, and that the borrowing needs of the Council were properly managed to ensure that the Council could meet its capital spending obligations.

The report concluded by providing the Committee with the opportunity to submit comments to Council that would be considered as part of its formal approval of the Treasury Management Policy, Treasury Management Strategy and Minimum Revenue Provisions Policy Statement.

The Treasury Management Policy, Treasury Management Strategy and Minimum Revenue Provision Policy Statement were attached as appendices to the report.

This report would also be considered by Cabinet and Council at their meetings to be held on 13 and 27 February 2025 respectively.

#### **RESOLVED:**

That the proposed Treasury Management Policy, Treasury Management Strategy and Minimum Revenue Provision Policy Statement documents, which include the objectives and operation of the Council's Treasury Management functions, the manner in which the Council will manage its investments, and the methodology used to set aside revenue provision for the repayment of debt, be noted.

#### **42. CAPITAL STRATEGY 2025/26**

The Committee considered the report of the Executive Director of Corporate Services and Commercial on the Capital Strategy 2025/26.

The report indicated that the CIPFA Prudential Code for Capital Finance in Local Authorities (2021 Edition) required all Local Authorities to adopt a Capital Strategy; that the Capital Strategy set out the long-term context in which capital expenditure, borrowing and investment decisions were made

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and considered the impact of these decisions on the Council's priorities, the Corporate Plan 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; 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 report provided the Committee with the opportunity to submit comments on the Strategy to Council that would be considered as part of the formal approval of the Capital Strategy.

The Capital Strategy 2025/26 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 13 and 27 February 2025 respectively.

A Member of the Committee queried the grant allocations added to the capital programme as detailed in paragraph 4.4 of the report and the difference to the planned financing of the Capital Expenditure Estimates, totalling £133.837m, in 2025/26 as detailed in paragraph 4.11.

RESOLVED:

That the Capital Strategy 2025/26 be noted.

**43. ROBUSTNESS OF THE 2025/26 BUDGET ESTIMATES AND THE ADEQUACY OF RESERVES – LOCAL GOVERNMENT ACT 2003 - SECTION 25**

The Committee considered the report of the Executive Director of Corporate Services and Commercial on the robustness of the 2025/26 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 13 and 27 February 2025 respectively.

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

- It was noted that there were a number of councils struggling with financial viability and sustainability, and that some large and risky investments by such Councils were not yielding anticipated returns - this is not the case in Sefton.
- Information was sought on the situation in Sefton regarding the surplus revenue generated by wholly owned companies
- Reference was made to the assumption in the report in respect of Adult Social Care, that savings would be achieved in 2025/26 in addition to residual savings that needed to be made from 2024/25. Clarification was sought on what the assumption had been based on
- National considerations, as detailed in paragraph 3.5 of the report were referred to, and concern was expressed about the potential for substantial cost increases for goods and services procured or commissioned by the Council
- proposed increases in the General Balances held by the Council to improve financial sustainability and resilience over the 3-year period
- the adequacy of reserves, the anticipated reduction to support the 2024/25 budget and the strategy to replenish these over the next 3 years and how this impacts on the robustness of the Council's budget
- the inclusion in the budget of projections and assumptions associated with demand led services for children's services
- detailed information on the Council's wholly owned companies. It was noted that the overview of wholly owned companies fell within the remit of other Overview and Scrutiny Committees and therefore that outturn reports were submitted to those Committees.

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 2025/26.

#### **44. REVENUE AND CAPITAL BUDGET PLAN 2025/26 – 2027/28 AND COUNCIL TAX 2025/26**

The Committee considered the report of the Executive Director of Corporate Services and Commercial on the Revenue and Capital Budget Plan 2025/26 – 2027/28 and Council Tax 2025/26.

The report provided:

- An assessment of the Council's current financial position and approach to the 2025/26 Budget Plan and preparation for the additional two-year budget period 2026/27 to 2027/28.
- An update on the Government's announcement of resources that are available to the Council for 2025/26.
- The Council's current financial position and the assumptions built into the Medium-Term Financial Plan.
- The proposed Budget for 2025/26; and
- The proposed Capital Programme for 2025/26 to 2027/28.

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 2025/26; budget saving proposals; draft Council budget summary 2025/26; and the Capital Programme 2025/26 – 2027/28.

This report would also be considered by Cabinet and Council at their meetings to be held on 13 and 27 February 2025 respectively. The Council would be recommended:

- (A) in respect of the Budget 2025/26 and Medium-Term Financial Plan from 2026/27 to 2027/28 to:
- (1) note the update of the Medium-Term Financial Plan for the period 2025/26 to 2027/28;
  - (2) approve the Revenue Budget for 2025/26 and authorise officers to undertake all of the necessary actions to implement the budget changes and proposals as detailed within the report;
  - (3) approve the commencement of all appropriate activity required to implement the budget savings proposals as detailed in the report, including for example, consultation with employees and engagement with partners and contractual changes as the programme develops;
  - (4) note that officers will comply with agreed HR policies and

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- procedures including relevant consultation with Trade Unions and reports to the Cabinet Member – Corporate Services as required;
- (5) note the Schools' Forum decisions on the Dedicated Schools Grant and Individual School Budgets;
  - (6) approve the allocation of specific grants as detailed in the report; and
  - (7) approve, subject to the recommendations above, the overall Council Tax resolution for 2025/26 including Police, Fire, Mayoral and Parish Precepts;
- (B) in respect of the Capital Programme 2025/26 to 2027/28 to:
- (1) approve for inclusion within the Capital Programme the full list of projects in Appendix D;
  - (2) approve a supplementary capital estimate of £1.500m for the demolition of Vine House funded by prudential borrowing;
  - (3) approve a supplementary capital estimate of £0.500m for Food Waste Management funded by prudential borrowing;
  - (4) approve a supplementary capital estimate of £0.219m for Hawthorne Road Wash Bay and Additional Works funded by prudential borrowing;
  - (5) approve a supplementary capital estimate of £4.277m for the Fleet Renewal Programme funded by prudential borrowing;
  - (6) approve a supplementary capital estimate of £1.000m for Temporary Accommodation funded by prudential borrowing; and
  - (7) approve a supplementary capital estimate of £4.200m for Disabled Facilities Grants funded by external grant from the Better Care Fund.

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 2025/26 – 2027/28 and the Council Tax for 2025/26.

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

- The estimated net loss of income from school academisation for 2025/26, how this compared with previous years, forecasts for schools converting to academies in the future, and the opportunities

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for the Council to generate income via the provision of services to  
academies

- Hardship funding available for the most vulnerable residents

RESOLVED: That

- (1) the update of the Medium-Term Financial Plan for the period  
2025/26 to 2027/28 be noted; and
- (2) the Executive Director of Corporate services and Commercial 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.