

MEETING: CABINET
DATE: Thursday 18th August, 2011
TIME: 10.00 am
VENUE: Town Hall, Bootle

Member

Councillor

Councillor P. Dowd (Chair)
Councillor Booth
Councillor Brodie - Browne
Councillor Fairclough
Councillor Maher
Councillor Moncur
Councillor Parry
Councillor Porter
Councillor Robertson
Councillor Shaw

COMMITTEE OFFICER: Paul Fraser
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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A G E N D A

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members and Officers are requested to give notice of any personal or prejudicial interest and the nature of that interest, relating to any item on the agenda in accordance with the relevant Code of Conduct.		
3.	Minutes of Previous Meeting Minutes of the meeting held on 21 July 2011		(Pages 5 - 8)
* 4.	Children and Adolescent Mental Health Service (CAMHS) - Final Report Report of the Director of Corporate Commissioning	All Wards	(Pages 9 - 20)
* 5.	Transformation Programme 2011-2014 Report of the Chief Executive	All Wards	(Pages 21 - 34)
6.	General Fund Outturn 2010/11 and Prudential Indicators Update Report of the Head of Corporate Finance and ICT	All Wards	(Pages 35 - 44)
* 7.	Merseyside Local Sustainable Transport Fund Project - Facilitating Sustainable Access to Employment in Merseyside Report of the Director of Built Environment	All Wards	(Pages 45 - 52)
* 8.	Planning Procedures Report of the Director of Built Environment	All Wards	(Pages 53 - 64)
9.	Progress Report on Sefton New Directions Report of the Head of Corporate Legal Services	All Wards	(Pages 65 - 68)

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THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 2 AUGUST 2011.

CABINET

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 21ST JULY, 2011

PRESENT: Councillor P. Dowd (in the Chair)
Councillors Booth, Brodie - Browne, Fairclough,
Maher, Moncur, Porter, Robertson and Shaw

27. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Parry.

28. DECLARATIONS OF INTEREST

No declarations of interest were received.

29. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the Cabinet Meeting held on 23 June 2011 be confirmed as a correct record.

30. TRANSFORMATION PROGRAMME 2011-2014

Further to Minute No. 17 of the meeting held on 23 June 2011, the Cabinet considered the report of the Chief Executive which provided an update on the progress made under the Transformation Programme and the implementation of the savings proposals, reviews and cessation of external funding, previously approved by the Council.

The Chief Executive reported that it was intended that Officers would submit a report on proposed budget savings for 2012/13 and 2013/14 to the Cabinet Meeting on 13 October 2011 for consideration prior to them being subject to public consultation.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) the progress to date on approved savings proposals, reviews and cessation of external funding as set out in the report be noted;
- (2) the progress to date on public consultation and engagement set out in the report be noted.

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31. WATERCOURSE MAINTENANCE AND FLOODING WORKING GROUP (2008/09) - FLOOD AND WATER MANAGEMENT ACT 2010

The Cabinet considered the report of the Director of Corporate Commissioning on the recommendations of the Overview and Scrutiny Committee (Regeneration and Environmental Services) in relation to the duties imposed on the Council as the Lead Local Flood Authority under the Flood and Water Management Act 2010.

Councillor Papworth, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) referred to the recommendations set out in the report and the previous scrutiny inquiry report produced by the Watercourse Maintenance and Flooding Working Group in October 2009. The Director of Built Environment reported on the progress made to date on the implementation of the recommendations by the Working Group.

RESOLVED: That

- (1) the report be noted;
- (2) the Director of Built Environment progress the implementation of the recommendations of the Working Group set out in Appendix C of the report; and
- (3) any financial implications arising from the duties imposed on the Council under the Flood and Water Management Act 2000 be considered during the budget process.

32. LOCAL SUSTAINABLE TRANSPORT FUND

Further to Minute No. 266 of the meeting held on 14 April 2011, the Cabinet considered the report of the Director of Built Environment on the award of funding by the Department of Transport under the Local Sustainable Transport Fund for schemes to be implemented by the Council in partnership with Merseyside Integrated Transport Authority and West Lancashire District Council.

RESOLVED: That

- (1) the report be noted;
- (2) the Council be recommended to approve the inclusion of £575,000 in the Capital Programme, to be phased as indicated in paragraph 3.2 of the report;
- (3) Officers be authorised to commence commitment of the funds;

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- (4) approval be given to the establishment of Sefton Council as the lead Accountable Authority for the Project subject to agreement with West Lancashire Council; and
- (5) it be noted that the proposal was a Key Decision which, unfortunately, had not been included in the Council's Forward Plan of Key Decisions because at the time of the publication of the current Forward Plan, it was not known if the bid was going to be successful and the announcement was not made until 5 July 2011. Consequently, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) had been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because delivery of the project needs to commence at the earliest opportunity.

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Agenda Item 4

Report to: Cabinet

Date of Meeting: 21st July 2011

Subject: Children and Adolescent Mental Health Service (CAMHS) – Final Report

Report of: Director of Corporate Commissioning

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To formally present the recommendations of the Children and Adolescent Mental Health Service (CAMHS) Working Group.

Recommendation(s)

That the recommendations of the CAMHS Working Group, set out in paragraph 2.2 of the report, be considered by the Cabinet.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Jobs and Prosperity	√		
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities	√		
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

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Reasons for the Recommendation:

The Working Group has made a number of recommendations that require consideration by the Cabinet

What will it cost and how will it be financed?

Existing budgets – with the exception of recommendation 11.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal		
Human Resources		
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

Implementation of the recommendations will support the improvement of the CAMH Service.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD 852 /2011) and Head of Corporate Legal Services (LD173/11) have been consulted and any comments have been incorporated into the report.

The Strategic Director – People has provided the management response to the recommendations of the Working Group

Are there any other options available for consideration?

To not agree the recommendations made by the Overview and Scrutiny Working Group for improving service delivery.

Implementation Date for the Decision

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

Contact Officer: Ruth Harrison

Tel: Ext. 2042

Email: ruth.harrison@sefton.gov.uk

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 The CAMHS Working Group, established by the Overview & Scrutiny Committee (Children's Services) has undertaken a review on issues surrounding the service provision for children with mental health issues. The review took place between September 2010 and April 2011.

2.0 WORKING GROUP FINAL REPORT

- 2.1 Attached at **Appendix A** is the executive summary of the report and the full report is available at:

<http://modgov.sefton.gov.uk/moderngov/documents/s30929/CAMHS%20Final%20Report%202011.pdf>

- 2.2 **The recommendations arising from the review are set out below and each of these is followed by a management response from the Strategic Director - People:-**

1. That the Council in partnership with the PCT be recommended to re-brand the CAMH Service and change the title to the "Children and Young People's Emotional and Wellbeing Service".

Response; There are two elements to this. Firstly the Council and PCT control the strategic planning group or partnership for CAMHS and can re brand the service as requested. However, the service is currently provided through Alder Hey and a change in the way in which they brand the service would be for them to decide. Discussions will certainly be held to try and achieve this.

2. That the Council in partnership with the PCT be requested to define clear and consistent pathways for those who work with Children and Young People (i.e. Teachers, Youth Workers and the 3rd sector working in that field) in order that they may identify and refer an incident (which is deemed to be one of a mental health nature) to an appropriate professional.

Response; The service specification is due for renewal and initial discussions have been held with the provider. A target date for agreeing a revised draft specification has been set for October. This aspect of work can be built into the service specification discussions. There may be an additional cost associated with the publication of materials advertising pathways but if these are placed on the council website and information services costs will be minimal.

3. That the Provider, make available appropriate training to those professionals, especially GPs, who are required to make referrals in relations to CAMHS, ensuring appropriate referrals proceed into the system.

Response; This will be built into the service specification. There is already a training programme but clearly this is not as effective as it might be. An increase in clinician time spent training would impact on service provision in seeing patients. However, if fewer inappropriate referrals resulted this could prove cost

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effective. It is difficult to estimate a cost for this activity but it can certainly be considered within the review of the service specification.

4. That the Commissioners be requested to raise awareness and provide appropriate sign posting for parents, carers, children and young people in order that they may be well informed of the services available, including how to access those services out of hours.

Response; The council has a statutory duty to maintain a Family Information Service (FIS). Currently this is web based. It would be appropriate to enhance the information available through the FIS. This will require officer time to produce the appropriate materials and can be prioritised within existing workloads.

5. That the Strategic Director – People be requested to review the statementing policy with regard to CAHMS.

Response; A statementing policy for CAMHS does **not** currently exist.

6. That the Strategic Director - People requested to urge schools, through SENCO Teachers and School Governors with SEN's responsibility, to ensure that, where appropriate, a young person accessing CAMHS (Tier 2, 3 and 4) be known and supported by the school.

Response; This area is complicated not least due to issues of patient - doctor confidentiality. A statement could be included in the service specification encouraging the sharing of information with schools when this is in the best interest of the service user and where there is parental consent to share.

7. That the Strategic Director - People ensures that a strategy is in place to ensure that the transition from CAMHS to Adult Mental Health Service is seamless and smooth.

Response; This is recognised as an issue nationally and this is why the existence of comprehensive services for 16 and 17 year olds was recognised as a proxy indicator for comprehensive CAMHS. Whilst comprehensive services do exist problems do persist across the child /adult divide, not least due to different service providers. This has been an issue but discussions are already underway between Alder Hey and MerseyCare to improve service provision and continuity and an agreed transition process is now in place.

8. That the Commissioners with responsibility for the service should ensure that the CAMH service received from Alder Hey Children's NHS Foundation Trust should include offering Home Visits across the Borough.

Response; A number of home visits do take place currently. Clearly the current level is insufficient to meet the needs of clients who have been involved in this process. However, there is potentially a significant additional cost associated with home visiting in terms of clinician time (this would incur travelling time and reduced appointments in clinics). There will always need to be balance here between risk, cost and client need. A cost benefit analysis would need to be undertaken to consider the additional cost as compared to potentially improved engagement with service users. We will also need to consider the lone working

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policy of the provider. This can be considered as part of the service specification exercise.

9. That the Lead Commissioner ensures that the provider complies with the contract across the Borough and reports at six monthly intervals to the Overview and Scrutiny Committee (Children's Services).

Response; This is agreed and it is proposed to take such a report to committee in the autumn.

10. That the Commissioners be requested to investigate the sufficiency of beds for Tier 4.

Response; Tier 4 placements are currently commissioned by the Strategic Health Authority (SHA). It is not possible to control the flow of demand for tier 4 placements. When demand is averaged over a year there is sufficient capacity but if several cases arise at any one time there may be a need to spot purchase additional capacity. The SHA has commissioned a review of sufficiency and as part of this review is considering alternatives to in patient placements.

11. That the Council considers re-instating, when funding becomes available, the funding that has recently been reduced for children with mental health issues.

Response; This would be a decision for elected members but if this funding were to be reinstated during the current review an alternative saving of £150,000 would need to be found and this would need to be considered as part of the normal budget setting process.

Significant notice was served on the provider before budget reductions were implemented. This resulted in careful planning and as a consequence it is difficult to discern any negative impact on service provision and during this period waiting times have continued to fall.

12. That the Overview and Scrutiny Committee (Children's Services) receives regular information monitoring the effects that budget reduction has on the CAMH Service as a whole.

Response; The provider has managed service reductions through increased efficiency and through voluntary redundancy processes. If effects on service quality do become apparent these will be reported to Overview and Scrutiny.

13. That the Overview and Scrutiny Committee (Children's Services) be requested to carry out a Mini-Review (Working Group) examining in more detail the contents of the separate specification, once it has been developed.

Response; It is proposed that a draft of the revised Service Specification be shared with Overview and Scrutiny at their meeting in November. The implementation of the new service specification would be from April 2012 and so a mini review in autumn 2012 would be appropriate.

14. That the Strategic Director – People be requested to monitor CAMH Service ensuring that the provision is a seamless borough-wide service with a genuine

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interaction between North and South, with equality for all residents and consistent provision of service, as required of Alder Hey Children's Hospital.

Response; Regular monitoring of the service is to be established at various levels. Firstly, there are monthly contract monitoring meetings between the PCT and the provider. On a quarterly basis the CAMHS partnership reviews progress and reports this to the Health sub group of the Children's Trust. As noted above the draft Service specification will be reviewed by Overview and Scrutiny Committee and there will be six monthly monitoring reports on the implementation. As noted a new draft service specification is currently being drafted. This draft will be shared with the Childrens Trust Board in September and Overview and scrutiny in Novemeber and any comments / changes incorporated before implementation in April 2012.

The major risk at this time to any development is the uncertain picture regarding national health reforms. This will require close monitoring and could potentially impact upon the responses above.



*Children and Adolescent Mental Health Service:
A report from Sefton's Overview & Scrutiny Committee
(Children's Services)*

INTRODUCTION

The Council, in partnership with Sefton PCT, has responsibility for the Children and Adolescent Mental Health Service (CAMHS) across the Borough and commissions the delivery of the service from Alder Hey Children's Hospital. The Overview and Scrutiny Committee (Children's Services) made a decision to review the service as a result of receiving a presentation from a clinician from Alder Hey Children's Hospital who revealed the following factors: inconsistent provision of service across the borough (with inconsistent and fragmented support); unacceptable waiting times / support provided too late in a crisis; discrepancies with regards funding.

We want to help children and young people feel confident, make friends, form trusting relationships with adults, enjoy their own company and deal with the setbacks that everyone faces from time to time – the Council commissions a vital service. Most mental health problems have their roots in childhood, and many serious chronic mental illnesses appear before the age of 25. Approximately 75% of adults with mental health problems first experienced mental health problems in childhood. So it is a time when young people need more help and support, not less.

It is estimated that by 2026 the cost of mental health services will increase by 45% to about £32 billion. Service costs are not the only economic consideration. It has been estimated that the total cost to society of mental health problems in England is more than £77 billion a year, which is double previous estimates. These figures look set to rise if nothing is done, therefore investing in services and support for children and young people not only reduces misery and loneliness but saves millions in future costs to the criminal justice system, NHS, education and social care costs. The children and young people now are our future adults, invest to save.

HOW WE APPROACHED THE REVIEW

We felt that improving the mental health and psychological well being of all those children and young people who live within the Borough should be at the heart of the review. We listened to the people who used the service, as well as those who provided the service. We also listened to the views of those who were responsible for commissioning the service, and those involved in the new G.P Consortia and other relevant clinicians. We also received a lot of background information (including statistics) concerning the provision of the service.

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We gathered a lot of information about the service using national and local data and background reports. We examined the performance reports that were available, and posed questions to those involved with the commissioning process. We held interviews with those who provide the service, and examined the provision of Tier 1 – 4 services in detail. We realised that the services provided within each of these tiers needed to be considered individually.

We wanted to hear from those parents / guardians of service users and gather their views of the service they had received. We invited the parents / guardians identified by the provider of the service (abiding by strict data protection rules) to attend a group meeting with the Members of the Working Group where they were able to share their experiences of the service. For those parents / guardians who couldn't attend the meeting, but wanted to submit their views for consideration, we accepted written statements and offered home visits to help encourage involvement in the review.

We also met with the new GP Consortia in both the north and south of the borough to gather the views of the professional involved in the service.

WHAT WE HAVE FOUND OUT

We felt that the word “mental health” was unhelpful in the promotion of a positive service for children and young people as there remains an historic “stigma” associated with the term. Statistics show that over half of all adults with mental health problems were diagnosed in childhood but less than half were treated appropriately at the time. We wanted to find out what was stopping young people getting the help they need. We accept that the answer is likely to be complex and vary from person to person, but we feel that one key reason why young people don't access services is the stigma associated with having a mental health problem.

Our G.P's have an important role to play in the promotion of Mental Health Services. Often they are an important first “port of call” for parents and carers concerned about their children. It became apparent from interviewing expert witnesses that G.Ps often made inappropriate referrals as a safeguarding measure. The number of inappropriate referrals within Sefton is high and in North Sefton from April 2010 there have been 109 cases (1/3rd of referrals) that fit within that category. Those patients take up capacity that would be best used for those referrals which are appropriate.

We also felt that whilst the effect of inappropriate referrals needs to be considered it is also important to understand that the evidence also indicated that G.Ps did not consistently recognise the signs of mental health problems, particularly lower-level problems which were likely to be more responsive to early intervention. We felt that this was a worrying factor as the recognition was more likely when the child or young person had developed a more severe problem. We found that the information available for parents, carers, children and young people is not necessarily clear, and would benefit from some improvement.

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We also found that that service users had some concerns about the production of 'statements' for their children. One parent / guardian stated that she had attempted on three occasions to receive a statement for her child and had been refused, when the child met all the criteria. We feel that it is absolutely crucial to that child's education to receive a statement that would ensure that appropriate support would then be made available to that child. We also noted that a statement ensures that funding for that child is transferred from school to school.

After the family, schools are the most important organisation in the lives of the vast majority of children and young people and we feel that children and young people need schools to be more aware of mental health issues. We need to ensure that those people working in the schools have the confidence to support help and recognise issues before they arise.

We realise that young people go through multiple transitions as they move from childhood into adulthood. They are moving from school to college or the workforce, from being dependent to more independent living and if young people are in contact with services, they are also likely to be making the transition from children's services to adult services.

We are concerned about the transition period that young people can go through as they reach a certain age. Young people who need help and support from mental health services can find themselves with no help and support at a time when they really need it. When they reach 16 they can find themselves without any support from Alder Hey because the provider (Alder Hey) of CAMHS often ends at that age and they are too young or not considered ill enough for AMHS which start at the age of 18. In Sefton 16 – 18 year olds are able to access services through Merseycare and a specialist 16 – 18 year old service. However we feel that there are some concerns about the provision of these services.

We feel that the transition process should places the young person at the centre of the service planning and provision to ensure there is a focus on young people's self esteem and self confidence. We feel that the professionals from CAMHS should liaise with, and integrate their service with those from the AMHS to ensure that young people's views and needs are met accordingly. Witnesses stated that some children and young people found appointments to be too clinical based, which result in a negative way and non-attendance at appointments, although expert witnesses supported clinical based appointments so that more appointments could be carried out throughout a working day. We feel that the service and professionals should be located within settings which are comfortable and approachable for teenagers and young adults and where young people are and not just where clinics are based. We also felt that home visits should be offered across the borough (currently they are only offered in the south of the borough), in order that hard to reach groups have access to the service and to ensure that appointments are kept.

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Evidence received from families highlighted the need for a specialist service local to Sefton. We felt that a child requiring this level of specialist care (normally provided in Chester), who may already be feeling isolated with intricate issues and being approximately 80 miles round trip away from their families, would exasperate those issues. We asked the expert witnesses about sufficiency of beds and if it was felt, in their expertise, that the demand was being met. We were perplexed to receive a contradiction in answers given and agreed that further work should be undertaken to identify if there were sufficient beds to meet demand.

It is clear to us that the CAMHS provision should be a seamless Borough Wide service with genuine interaction between North and South. The evidence received from key witnesses identified a worrying gap in service provision across the Borough.

The service in the North has experienced longer appointment waiting times to that in the South. Expert witnesses from Alder Hey reported that the team in the North of Sefton had carried a number of staff vacancies, which had been difficult to recruit to and so had an impact on capacity within the service. Alder Hey has been addressing the issue of reducing the length of waiting times across the Borough over the past six months. There are plans for Alder Hey to move to a Mental Health Acute Trust, which is a positive sign. We need to ensure that the Council, in partnership with Sefton PCT, have the structures in place that will result in compliance of the contract.

RECOMMENDATIONS FOR THE FUTURE

Our recommendations have been presented to the decision makers within the Council, and those within NHS Sefton.

- 1 We recommend that the Council, in partnership with the PCT, re-brand the CAMH Service and change the title to the “Children and Young People’s Emotional and Wellbeing Service”.
- 2 We recommend that the Council, in partnership with the PCT, define clear and consistent pathways for those who work with Children and Young People (i.e. Teachers, Youth Workers and the 3rd sector working in that field) in order that they may identify and refer an incident (which is deemed to be one of a mental health nature) to an appropriate professional.
- 3 We recommend that the Provider make available appropriate training to those professionals, especially GPs, who are required to make referrals in relations to CAMHS, ensuring appropriate referrals proceed into the system.

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- 4 We recommend that the Commissioners raise awareness and provide appropriate sign posting for parents, carers, children and young people in order that they may be well informed of the services available, including how to access those services out of hours.
- 5 We recommend that the Council review the statementing policy with regard to CAHMS.
- 6 We recommend that the Council urges schools, through SENCO Teachers and School Governors with SEN's responsibility, to ensure that, where appropriate, a young person accessing CAMHS (Tier 2, 3 and 4) be known and supported by the school.
- 7 We recommend that the Council ensures that a strategy is in place to ensure that the transition from CAMHS to Adult Mental Health Service is seamless and smooth.
- 8 We recommend that the Commissioners with responsibility for the service should ensure that the CAMH service received from Alder Hey Children's NHS Foundation Trust include offering Home Visits across the Borough.
- 9 We recommend that the Lead Commissioner ensures that the provider complies with the contract across the Borough and reports at six monthly intervals to the Overview and Scrutiny Committee (Children's Services).
- 10 We recommend that the Commissioners investigate the sufficiency of beds for Tier 4.
- 11 We recommend that the Council considers re-instating, when funding becomes available, the funding that has recently been reduced for children with mental health issues.
- 12 We recommend that the Overview and Scrutiny Committee (Children's Services) receives regular information monitoring the effects that budget reduction has on the CAMH Service as a whole.
- 13 We recommend that the Overview and Scrutiny Committee (Children's Services) carry out a Mini-Review (Working Group) examining in more detail the contents of the separate specification, once it has been developed.
- 14 We recommend that the Council monitors the CAMH Service ensuring that the provision is a seamless borough-wide service with a genuine interaction between North and South, with equality for all residents and consistent provision of service, as required of Alder Hey Children's Hospital.

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Agenda Item 5

Report to: Cabinet

Date of Meeting: 18 August 2011

Subject: Transformation Programme 2011- 2014

Report of: Margaret Carney
Chief Executive

Wards Affected: All

Is this a Key Decision? No.
This report is not a key decision in itself but forms part of the process for setting the Council's budget and Council Tax.

Is it included in the Forward Plan? Yes

Exempt/Confidential

No

Purpose/Summary

To report the progress of the Transformation Programme in the delivery of approved budgetary savings; reviews of services and consultation processes being undertaken.

Recommendation(s)

- a) Note progress to date - approved savings proposals, reviews and cessation of external funding
- b) Note progress to date - Public Consultation and Engagement.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity			√
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendation: The 2011/12 budget contains £44m savings and it is imperative that implementation continues to be closely monitored so that any necessary corrective action can be taken in a timely way.

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In addition, the Council continues to forecast a significant budget gap over the next three years and additional budget savings will need to be identified over the coming months to ensure that future years' budgets can be balanced.

Early decision making in relation to budget issues continues to be essential as this will help to mitigate the impact of the consequential changes by giving sufficient time to undertake the required formal consultation / notification processes.

What will it cost and how will it be financed?

FD 902 The Head of Corporate Finance and ICT has been involved in the preparation of this report.

(A) Revenue Costs

The forecast revenue gaps for the years 2012/13 to 2014/15 are £20.05m, £7.6m and £10.9m respectively. The Council needs to take action over the coming months in order for a balanced budget to be agreed for 2012/13. This report, together with the Medium Term Financial Plan 2012/13 – 2014/15, underpins the detailed financial position of the Council for the coming years and provides a framework for Revenue planning for the three years 2012/13, 2013/14 and 2014/15.

(B) Capital Costs

Members are reminded that the Council's bid to capitalise any statutory redundancy costs incurred in 2011/12 has passed the first stage of the DCLG's approval process and a provisional sum of £3m has been agreed. Sefton needs to reply to the DCLG (in October) confirming the amount that it actually needs to capitalise. This is to prevent authorities bidding for more than they need and, therefore, reducing the amount available for other councils. In order for the Council to complete the return, it is essential that as many cost reduction decisions (which involve redundancies) are made before October. The potential exists for a reduction of the £3m, if the Council cannot provide evidence of the costs of redundancy payments to be made in 2011/12.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal LD261/11

There are no direct legal implications arising from the contents of this report. However in the course of each of the individual projects to achieve the savings outlined in the attached annex and appendices, detailed consideration should be given to both the legal and equality implications. Such consideration will also need to be evidenced to ensure that the Council's decision making processes are defensible.

Human Resources;

Currently there are 66 individuals formally at risk of redundancy as a result of service reorganisations and cessation of external funding. These figures are likely to increase later in the year when the implications of several large service reviews are known. Regular consultation on proposed changes will continue with the trade unions and employees will be informed of developments by their respective Service Directors. Employees within service areas are aware that their status may change subject to the outcome of these reviews. Also a number of areas have adopted revised working practices and reduced hours to avoid redundancies. These helpful amendments have been achieved following further consultation.

Equality

1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

Service implications will form part of the consultation processed described in section 4.

What consultations have taken place on the proposals and when?

Strategic Directors, Director of Corporate Support Services and Director of Commissioning, Head of Personnel, Head of Corporate Finance & ICT and Head of Legal Services.

Are there any other options available for consideration?

None

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet

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Mike Martin, Strategic Finance Manager

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Background Papers:

The following papers are available for inspection by contacting the above officer(s).

Reports to Cabinet and Council 3 March 2011: Transformation Programme and Final Revenue Budget Items 2011/12

Report to Cabinet 14 April 2011: Transformation Programme 2011/12

Report to Cabinet 26 May 2011: Transformation Programme 2011-2014

Report to Cabinet 23 June 2011: Transformation Programme 2011-2014

Report to Cabinet 21 July 2011: Transformation Programme 2011-2014

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1. Introduction/Background

- 1.1 The approved savings within the 2011/12 budget continue to be implemented. The implementation of these savings continues to be very closely monitored and this report identifies progress made; current indications are that good progress continues to be made.
- 1.2 The forecast revenue gaps for the years 2012/13 to 2014/15 are £20.05m, £7.6m and £10.9m respectively. Early identification and consideration of options as to how these savings can be achieved will be required and this will build on the consultation and engagement being undertaken.
- 1.3 Members are aware that the required budget reductions will only be achieved with a radical redesign of Council services and by enhancing the Council's ability to manage any risks and demand associated with the critical services.
- 1.4 It is important to note that no service area is exempt from change and that the Council will continue to have to make difficult decisions around service cessation and reduction and identify real innovation in service delivery that may mitigate some of the implications. Strong leadership continues to be essential.
- 1.5 The prioritisation process must be supported by timely decision making in relation to budget issues as, given the scale of savings required, it is imperative that Council continues to take further steps to reduce its spending.

2. Transformation Programme Update

- 2.1 Following the Member and officer meeting on 9 July 2011 work continues on prioritisation, identification of further options and consultation and engagement processes.
- 2.2 Annex A details the work programme agreed following the above meeting, it is important to note that these activities will be supplemented as required in order to ensure that timescales are maintained. This approach is designed to ensure the complete transparency, effective risk management and improved consultation and engagement.
- 2.3 Officers continue to explore further options and are working with partners to assess the impact of potential changes and exploring ways that partners can contribute to ongoing and future priorities.
- 2.4 Annex B identifies current progress in terms of approved savings proposals, service reviews and cessation of external funding.

Achieved (Reported to Cabinet 21 July 2011)	£33,445,820
Achieved to 3 August 2011	£425,000
Total Savings Achieved to date (B1)	£33,870,820
Progress is satisfactory (Green) (B2)	£2,998,031
Review scheduled/risk of saving not being fully achieved (Amber) (B3)	£5,613,000
Known shortfalls/significant risk of saving not being fully achieved (Red) (B4)	£1,430,431

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Total Approved Savings	£43,912,282
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- 2.4 Cabinet is asked to note progress to date.
- 2.5 Decommissioning Plans continue to be developed and progress against these plans will be monitored by the Transformation Team. There are, currently, no issues to be reported Members.
- 2.6 The tables below detail the latest position of expressions of interest in Voluntary Early Retirement/Voluntary Redundancy (VER/VR) and the savings that have been and will be made from the requests that have been agreed.

Expressions of Interest approved by Cabinet December 2009	50
Expressions of Interest approved by Chief Executive (since 3 rd December 2009)	215
Expressions of Interest declined since September 2009 – this includes potential bumps	45
Expressions of Interest decision pending	26
Expressions of Interest withdrawn by employee	35

Year	Savings £000
2010/2011	2,526
2011/2012	3,267
2012/2013	410
Total	£6,203

The above savings have been incorporated into approved savings proposals, where appropriate. The opportunity for staff to express interest in VER/VR remains open, and is positively promoted.

3. Funding & Service Changes

- 3.1 The three posts that were not appointed during the third stage of the review of senior management are in the process of being advertised, both internally and externally. Work is now ongoing to establish the subsequent tier and realise further savings.

4. Public Consultation and Engagement

- 4.1 Members will recall that the YouChoose website went live 6 July and will run until mid September. The site allows members of the public to submit their suggestions for budgetary changes. The outcomes of the consultation process will be reported to Cabinet in October. An interim report will be taken to the Leaders Group during August.
- 4.2 Work is continuing between the voluntary sector and the People Directorate to ensure that the views of young people are captured. The Children Centre consultation, as part of the Children Centre's Review, has commenced and will run until October. This has been planned with parents/carers. A verbal report was given to the Public Engagement and Consultation Panel, who have requested updates.

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4.3 Members of the SLT continue to hold stakeholder, partnership and community meetings to discuss the budget implications for next year and take feedback. The findings from the various consultation sessions will be reported to Member in the autumn to aid the budget setting process for the next and succeeding years.

4.4 Cabinet is asked to note the progress made.

5. Equality Impact Assessment

5.1 The Council will continue to impact assess all proposals for changes to services in order to meet its public duties under the Equality Act 2010.

6 Conclusion

6.1 Members will be fully aware that we are on track to achieve the vast majority of the £44m savings that were approved in March. We are now faced with finding a further £20m next year with further reductions required in the following two years. The Council will continue to have to make difficult decisions around service cessation and reduction and identify opportunities for real innovation in service delivery that may mitigate some of the implications.

6.3 As noted earlier in the report the application, made to the DCLG, to allow the Council to capitalise any statutory redundancy costs incurred in 2011/12 has passed the first stage of the bidding process; a provisional sum of £3m has been agreed. Sefton needs to reply to the DCLG (in October) confirming the amount that it actually needs to capitalise. In order for the Council to complete the return, it is essential that as many cost reduction decisions (which involve redundancies) are made before October. The potential exists for a reduction of the £3m, if the Council cannot provide evidence of the cost of redundancy.

6.4 The planned approach to addressing the budget gap facing the Council will enable us to further strengthen practice in a number of areas such as consultation and engagement, equality impact assessment and risk management.

6.5 Creating the capacity to develop and implement the required change remains a challenge. Early decision making will contribute to this but it must also be recognised that considerable resource will continue to be directed into the development, assessment and implementation of proposals. As options are intended to be approved for consultation in October it is important that Councillors are fully appraised of options and their implications to ensure that an informed engagement takes place. This is particularly important given there will be a limited choice in determining a final set of options which will balance the 2012/13 budget.

7. Recommendations

Cabinet is recommended to

7.1 Note progress to date - approved savings proposals, reviews and cessation of external funding.

7.2 Note progress to date - Public Consultation and Engagement.

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Annex A

Timetable Strategic Leadership Team (SLT)		
21 July	SLT	<ul style="list-style-type: none"> • Agree Process • Collective Education on options • Review of Other Services
28 July	Leaders	<ul style="list-style-type: none"> • Discuss latest position • Agree process
28 July	SLT	<ul style="list-style-type: none"> • Detailed Review of Frontline Services • Constructive challenge by SLT • Identification further options and future work
4 August	SLT	<ul style="list-style-type: none"> • Review of further work commissioned on 28 July • Detailed review of Critical Services process as indicated for Frontline
5 August	SLT	<ul style="list-style-type: none"> • Review of Regulatory • Summarise proposals to date and agree format • Areas for further investigation
10 August	Leaders	<ul style="list-style-type: none"> • Report progress • Agree Arrangements for political Star Chambers
11 August	SLT	<ul style="list-style-type: none"> • Preparation for political Star Chambers • Consultation arrangements • Agree programme for SLT 18th August • Review of transformation programme
18 August	SLT	<ul style="list-style-type: none"> • To formulate options for discussion at political Star Chambers
25 August	Leaders Group	<ul style="list-style-type: none"> • Any collective views and progress
29 August – 9 September	Political Star Chambers	<ul style="list-style-type: none"> • To enable Elected Members to receive detailed options with implications and to identify additional savings proposals
12 September	SLT	<ul style="list-style-type: none"> • Report back on Star Chambers • Run through options going forward for consultation • Preparation Members Away Day
17, 22 or 24 September	Cabinet Review Day	<ul style="list-style-type: none"> • Agree final options • Consultation engagement plan (detailed) • Agree next steps and approval process
6 October	Leaders	<ul style="list-style-type: none"> • Consider Cabinet Report
13 th October	Cabinet	<ul style="list-style-type: none"> • Approve options for consultation

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Annex B

Approved Savings Proposals Tracking Report August 2011

B1 - Savings Achieved to Date

Ref.	Description	Owner	Value 2011/12
Reported to Cabinet 14 April 2011			£19,595,136
Reported to Cabinet 26 May 2011			£10,898,684
Reported to Cabinet 23 June 2011			£2,082,000
Reported to Cabinet 21 July 2011			£870,000
Total savings achieved reported previously			£33,445,820
CE1	Modernising Democratic Services/Scrutiny Support - Reductions in staff and running costs for meetings	Andrea Grant	£120,000
CE2	Review Civic / Mayoral Service - Reduction in mayoral function	Andrea Grant	£132,000
CE21	Civic Attendants Service	Andrea Grant	£140,000
SCL12 (b)	Tourism - Reduce opening hours and staffing levels in Tourist Information Centre	Tony Corfield	£21,000
SCL12 (c)	Tourism - Relocate Tourism offices to Southport Town Hall	Tony Corfield	£12,000
Total Savings Achieved to Date			£33,870,820

B2 - Progress is Satisfactory (e.g. contractual notice periods are being observed)

Ref.	Description	Owner	Value 2011/12	Progress	Comment
CE5	Rationalisation of Point of Sale & Bookings Software	Linda Price	£30,000	Green	Review will commence September 2011. The rationalisation of other software and printing has exceeded its target and will meet the 2011/12 slippage in this project
CE15	CAA Fees	Margaret Rawding	£50,000	Green	Notice Period to be observed £50,000 2012/13. Short term savings in audit costs have been used to meet the 2011/12 budget saving until this can be delivered.

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B2 - Progress is Satisfactory (continued)

Ref.	Description	Owner	Value 2011/12	Progress	Comment
	Cease Merseyside Policy Unit / North-West Policy Forum	Graham Bayliss	£75,600	Green	Notice period
	Review of Learning & Development	Mike Fogg	£140,000	Green	Recruitment to new structure ongoing. £170k confirmed to date (reported May 2011). Full saving £310,000
CS – M4 (a)	Cease 14-19 Partnership	Peter Morgan	£203,431	Green	Notice issued to staff
CS – M5	Community Learning - Funding Reducing	Peter Morgan		Green	Funding runs August to August. Ongoing consultation with staff. A number of VR/VER expressions of interest are being processed.
PE1	Planning for Play Early Years Team - £175,313	Peter Morgan		Green	BLF ends 31/07/11 Surestart ended 31/03/11 Temporary reduction in staffing hours in place, wider review of Early Years to be progressed.
Tier 2	Sure Start – Aiming High	Peter Morgan	£79,000	Green	£30k achieved (reported May 2011). Staff and Union Consultation ongoing. Full saving £109,000
External Funding	Youth Offending Service N/A There is a reduction of to 20% in external YJB funding	Colin Pettigrew		Green	Restructure is underway
4	Commissioned Services	Robina Critchley	£2,000,000	Green	Negotiations ongoing
	Review of Specialist Transport - Reduction in overspend.	Jim Black		Green	
CM64	Building Cleaning - Raise income target by £100k	Jim Black	£100,000	Green	Additional income to be monitored.
CM29	Introduce a charge for Development Control advice	Jane Gowing	£30,000	Green	Public consultation underway
22	Car Parks Fees and Charges	Alan Lunt	£200,000	Green	
CM42	Increase fees for Network Mgt activities	Alan Lunt	£30,000	Green	Consultation ongoing
Tier 2	Tourism	Alan Lunt	£60,000	Green	Notice Periods being observed
	Total		£2,998,031		

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B3 - Review is scheduled to commence at a later date (outcomes unknown and risk of savings not being fully achieved)

Ref.	Description	Owner	Value 2011/12	Progress	Additional Comments
	Management & Support Costs - 25% reduction	Margaret Carney	£1,622,000	Amber	
	Changes to Terms & Conditions	Mark Dale	£110,000	Amber	£2,890,000 achieved.
	Neighbourhoods Review	Graham Bayliss	£859,000	Amber	Review scheduled for completion September 2011
	Strategic Review of Sure Start Children's Centres	Peter Morgan	£900,000	Amber	Review progressing well
	Review of Emergency Planning	Mike Fogg	£58,000	Amber	Scheduled to commence in July 2011.
	arvato contract	Mike Fogg	£70,000	Amber	Part achieved £360k Negotiations ongoing. Full saving £430k.
3	Income Increase (Disability Related Expenditure: increase % of people's disposable income from 65% to 80%)	Robina Critchley	£52,000	Amber	Shortfall identified to Cabinet 3 rd March 2011 £52k
6	Inflation (withhold inflation elements to all providers)	Robina Critchley	£1,513,000	Amber	Legal challenge from Care Homes Association, hearing re-scheduled.
7	Staff savings (delete 15 vacant posts)	Robina Critchley	£238,000	Amber	£262k identified to date (May 2011). Full saving £500k.
	Capita contract	Bill Milburn	£112,000	Amber	Negotiations ongoing
Tier 2	Affordable Warmth	Alan Lunt	£49,000	Amber	Reviewing options including exploring external funding opportunities.
	E&TS – Pest Control	Alan Lunt	£30,000	Amber	Reviewing Options
	Total		£5,613,000		

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B4 - Known shortfalls or significant risks that savings will not be achieved or a scheduled review is late in commencing

Ref.	Description	Owner	Value 2011/12	Progress	Comment
CE19(b)	Cease membership of North West Employers	Graham Bayliss	£28,000	Red	12 month notice period to be observed, saving will be delivered in 2012/13
Tier 1	Leisure Centres	Steve Deakin	£95,000	Red	£95,000 shortfall identified Full Saving will be achieved in 2012/13.
Tier 2	Arts & Cultural Services	Steve Deakin	£40,000	Red	£40,000 shortfall identified. Full Saving will be achieved in 2012/13.
Tier 2	Coast & Countryside	Rajan Paul	£10,000	Red	£10,000 shortfall identified Full Saving will be achieved in 2012/13.
Tier 2	Tourism	Tony Corfield	£27,000	Red	£27,000 shortfall identified. Full saving will be achieved in 2012/13
CM61	Charge for replacement Grey/Green Wheelie Bins	Jim Black	£10,000	Red	Charging for delivery of replacement w/bins has now been agreed and will commence by July 2011 however the full income target will not be achieved in 2011/12. Income will be monitored and reported as collected.
CS M4(a)	Cease 14-19 Partnership	Peter Morgan	£203,431	Red	Consultation and notice periods observed and this will impact on the saving that can be achieved in 2011/12. Full Saving will be achieved in 2012/13.
SCL12(b)	Tourism - Reduce opening hours and staffing levels in Tourist Information Centre (balance of £30,000)	Tony Corfield	£9,000	Red	Delayed owing to negotiations with MerseyTravel. Full Saving will be achieved in 2012/13.
SCL12(c)	Tourism - Relocate Tourism offices to Southport Town Hall (balance of £20,000)	Tony Corfield	£8,000	Red	Move delayed until 15 August. Full Saving will be achieved in 2012/13.
4	Commissioned Services	Robina Critchley	£1,000,000	Red	Delay in negotiating liabilities and Terms & Conditions has resulted in only a part year saving being achieved. Full Saving will be achieved in 2012/13.
	Total		£1,430,431		
	Grand Total of Savings		£43,912,282		

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B5 - Savings to be delivered in future years

Ref.	Description	Owner	Value 2012/2013	Progress	Comment
CE19(a)	Cease membership of the LGA	Graham Bayliss	£60,000	Green	Notice Period to be observed £60,000 2012/13
CM23	Increase Charge to Schools for Energy Advice	Alan Lunt	£10,000	Green	
CM24	Charge schools for Env Education or stop service	Alan Lunt	£17,500	Green	
23	Car Parks Contract Review (Retendering of Car Park Enforcement Contract from April 2012)	Alan Lunt	£100,000	Green	
26	Homelessness	Alan Lunt		Green	
27	House Renovation Grants	Alan Lunt		Green	
	Total		£187,500		

B6 - External Funding Changes (Funding Ceased or Reduced Activities Complete)

Ref.	Description	Owner
CS-M1	Aim Higher Funding Ceased £89,350	Peter Morgan
CS11	Contact Point Funding Ceased £37, 787	Mike McSorley
	MELS Funding Ceased	Alan Lunt
PE44	Coastal Defence - Project Delivery Funding Ceased	Alan Lunt
PE46	Recycling Education Funding Ceased	Alan Lunt
PE35	Southport Partnership Funding Ceased	Alan Lunt
PE15	Learning Disabilities Project	Robina Critchley

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B7 - External Funding Changes (New Funding Confirmed & Being Monitored)

Ref.	Description	Owner
PE47	Work Place Travel team Funding has been confirmed for a further 12 months	Alan Lunt
PE45	Environmental Monitoring (Emissions Inventory) Funding for a further 12 months has been confirmed	Alan Lunt
PE3 & 4	Cease TDA funded School Workforce Development Team Additional funding found to deliver the function until end of the 2011 academic year	Peter Morgan

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Report to: Cabinet **Date of Meeting:** 18 August 2011

Subject: 2010/11 Financial Year – General Fund Outturn & Prudential Indicators Update

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

1. To report the 2010/11 revenue outturn position for the General Fund and approve the transfer of the underspend to reserves; and
2. To approve an update of the Council's Prudential Indicators for 2011/12, resulting from the changes made in the 2010/11 Statement of Accounts arising from the introduction of International Financial Reporting Standards.

Recommendation(s)

Cabinet is recommended to: -

- a) Agree the transfer of the 2010/11 General Fund revenue underspend to reserves as set out in paragraph 4.3 of the report; and
- b) Approve the amended Prudential Indicators for 2011/12 as set out in Appendix 1.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

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Reasons for the Recommendation:

1. To ensure Cabinet are informed of the revenue outturn position for 2010/11 and to seek approval to reserve the identified underspend; and
2. To ensure that Cabinet are fully appraised of the changes required to the prudential indicators in 2011/12 which were previously approved in March 2011.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial costs as a result of this report. The identified underspend will provide additional one-off resources to assist the transformation process.

(B) Capital Costs

None.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	Statutory Duty
Human Resources	None
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

All Departments have been involved in the closure of the Accounts for 2010/11.

The Head of Corporate Legal Services has been consulted (LD 264/11) and any comments have been incorporated in the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

Immediately following call-in.

Contact Officer: Margaret Rawding
Tel: 0151 934 4082
Email: Margaret.rawding@sefton.gov.uk

Background Papers:

Closure of Accounts working papers 2010/11.

Prudential Indicators Report 2011/12.

IFRS Working papers

1. Introduction

- 1.1 This report considers two issues arising from the preparation of the 2010/11 Statement of Accounts i.e. the revenue Outturn position for the year and implications for the Council's Prudential Indicators for 2011/12.
- 1.2 The General Fund outturn position for the 2010/11 financial year is presented, which highlights the major variations compared to the budget and identifies an overall revenue underspend position. The report requests Cabinet to approve the proposed transfer of the non-school revenue underspend to reserves.
- 1.3 The second issue relates to the introduction of International Financial Reporting Standards (IFRS) to local authorities for 2010/11. An implication of IFRS for Sefton has been the reclassification of a number of leases, with the resultant need to amend the Council's Prudential Indicators for 2011/12.

2. General Fund Revenue Outturn 2010/11

- 2.1 The Council has completed the closure of the Authority's accounts for 2010/11; PricewaterhouseCoopers are currently auditing the figures. The agreed Statement of Accounts will be presented to Audit and Governance Committee on 28 September, at the conclusion of the audit.
- 2.2 The outturn figures for 2010/2011 are presented in more detail in the following sections but can be summarised as follows:

Revenue Account 2010/2011	Schools £m	Non-Schools Services £m
Budgeted Balances at 31 March 2011	11.791	3.661
Plus Schools Delegated Budget Underspend 2010/2011	2.723	-
Plus Non-Schools Net Underspend	-	0.026
Provisional Unallocated Balances at 31 March 2011	14.514	3.687

3. Schools Delegated Budgets Outturn 2010/2011

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- 3.1 The underspend on schools delegated budgets for 2010/2011 was £2.723m. Consequently, schools retained balances now stand at £14.514m; this represents 8.4% of schools 2011/2012 delegated budgets.
- 3.2 The Sefton Schools Forum agreed a scheme to review excessive schools finances i.e. if balances were above agreed thresholds. Where balances are above 5% of the annual budget, for a secondary school, or 8% for a primary school, a review could be triggered. A number of school spending plans were reviewed during the year to identify the reasons for retaining the balances. No resources were re-distributed during the year.
- 3.3 The Government has made recommendations within a revised Scheme of Delegation for local authorities, to relax or omit any School Balances control mechanism from April 2011. However the Schools Forum has agreed to continue with current control levels and to review school balances as part of the annual process to assess resources available to schools for 2011/12.
- 3.4 As mentioned above, the level of school balances has increased in 2010/2011 by £2.723m. Increases in school balances have also been identified nationally due to:
- The uncertainty and impact to individual schools of specific grant funding being absorbed into the DSG in 2011/12;
 - The reduction in the level of Devolved Formula Capital funding which will mean that schools will now have to contribute from revenue balances to support any future capital schemes;
 - The impact of budget savings on local authority budgets has meant that schools now have to buy additional services no longer offered by the Council; and
 - Schools have been extremely cautious over spending in 2010/11 due to the uncertainty of the economic climate and also the Governments announcement to proposed introduction of a new national school funding formula from 2012/2013.

4 Non-Schools General Fund Outturn 2010/2011

- 4.1 The Original Estimate for 2010/2011 estimated that balances for non-school budgets would total £3.661m at 31 March 2011; i.e. the assumption was that balances would not increase. The outturn for 2010/2011 shows that a net underspend of £0.026m has been achieved against this budget i.e. increasing the level of General Fund Balances to £3.687m. However, this position assumes the proposed transfer of £3.2m to reserves to aid the transformation process; Cabinet is asked to consider this later in the report. Without this transfer, the Council's General Balances would have increased to £6.887m.
- 4.2 Within this overall net underspending, there have been a number of significant variations in individual services. The major variances are highlighted in the following paragraphs: -
- a) **Children's Services** - There was a major overspend of £0.768m on Children's Social Care employees. This has occurred due to the fact that there was an imminent inspection and also the need to reduce Social Worker case loads to nearer that of the nationally recommended level. The budget was not reflective of these identified needs. However, there has been a corresponding reduction in Foster Care costs as a result of the additional Social Workers, identified below.

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However, expenditure on looked after children in local authority care was approximately £0.515m less than the approved budget. This underspend was mainly attributable to the Children with Disabilities budget (£0.370m). In addition to this, there was an underspend of around £0.140m relating to Foster Care. Members will be aware that as part of the 2010/11 budget process, additional resources totalling £4.459m were allocated to Children's Schools and Families to specifically address the under-provision in looked after children budgets from the previous year. The outturn position is reflective of these additional resources, but it should be borne in mind that there is continued pressure on this area of the budget and further growth of £1.032m has been approved for 2011/12. The volatility of the need for placements for Looked-after Children and the unpredictability this brings when forecasting future financial commitments is an ongoing issue.

Other Savings were achieved by the Youth Service (£0.460m), reduction in training expenditure (£0.263m) and also by using specific non ring-fenced grants such as Area Based Grant (£0.222m) to fund expenditure that would otherwise have been attributed to core budgets. Additional savings were generated from an underspend on Premature Retirement costs (£0.198m) and from spending restrictions on day to day consumables (also in excess of £0.200m).

- b) **Adult Social Care** - The Community Care budget continued to face additional demand pressure during the year, resulting in an overspend of £0.318m. However, additional income from client fees £0.190m, reduced training costs of £0.180m and reduced expenditure on learning disability schemes (£0.200m) has contributed to an overall underspend.
- c) **Environmental Services** – An underspending of £0.300m has arisen as a result of reduced expenditure across a range of areas, including employees, supplies and services and transport costs.
- d) **Leisure & Tourism** – There was an underspend on employee costs (-£0.760m). This was a result of arrangements being put in place within the year, in anticipation of the staff savings agreements for 2011/12. This level of underspending will therefore not continue in 2011/12 as employee budgets have already been reduced in accordance with savings agreed for the financial year. Premises budgets overspent by some £0.133m, mainly due to NNDR and utilities costs. Sports income was significantly higher during the year (£0.217m), whereas other income budgets, notably Arts, Cemeteries & Crematoria and the Market Hall were down. The overall impact was a £0.130m reduction in income. The Coroner's Service overspent by £0.104m, due to fees payable to organisations undertaking this specialist area of work. The service is demand led and consequently the level of expenditure in any year is unpredictable.
- e) **Neighbourhood & Investment** – The Housing employees budget was underspent by £0.250m, with fees and charges income up by £0.160m.
- f) **Operational Services** – The main area of overspend was due to the Specialist Transport Unit (+£1.3m), where demand pressures have continued. The introduction of a new route planning system and other service efficiencies are being considered for 2011/12 to help reduce expenditure levels. This overspend has been reduced considerably due to surpluses (-£0.694m) being generated on trading services such as Building Cleaning, Security Force and Commercial Waste. In addition, there was an underspend of £0.125m on street cleaning and public convenience budgets.

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- g) **Planning & Regeneration** – The main budget pressures arose from reduced income as a result of the downturn in the economy. Planning, Building Control and Land Search fees are all below budget (+£0.456m), although the latter budget is also reduced due to the Government's abolition personal search fees. The ending of Planning & Housing Delivery Grant has also resulted in a £0.250m gap in the budget. Reduced expenditure on staffing and consultant's costs amounting to £0.170m has reduced the level of overspend, as has the increase in S106 fee income (£0.100m).
- h) **Corporate** - The net income from Housing Benefit Subsidy was £1.4m higher than anticipated in the budget; this was partly due to the efforts of Arvato / Client team in implementing changes which enabled maximum subsidy to be received. A one-off recovery of VAT paid in previous years (£1.2m) was received during the year. This was the result of a joint exercise undertaken by the Authority with PricewaterhouseCoopers. The ongoing transformation of the Council has meant that costs have had to be incurred which would not ordinarily be the case. For example, significant redundancy payments have been made in order to encourage staff to leave employment. The statutory element has been capitalised, following approval by the Government, however, the non-statutory expenditure costs fall directly on the Council. This and other transformation costs, such as pension contributions totalled some £1.7m in 2010/11.
- i) **Debt Repayment / Net Investment** - There was an underspend of £2.3m on debt repayment / net investment during the year. This was the result of better investment returns on temporary monies held by the Council and particularly the lower than planned need for borrowing from the Public Works Loan Board.
- 4.3 As mentioned in paragraph 4.1, the overall underspend for the Authority could have increased General Balances to £6.887m; and in normal circumstances this would have been recommended. Such balances are normally viewed as being "untouchable" as they are there to provide a "back-stop" for the Council for unexpected financial consequences. However, the current position of needing to find savings of £38m over 3 years means that a lot of change will be required throughout the Authority. Consequently, the transfer of £3.2m to Earmarked Reserves specifically set aside to assist the transformation process is recommended.

5 Prudential Indicators 2011/12 – Proposed Amendment

- 5.1 Members will recall that Prudential Indicators need to be established prior to the start of the financial year. These provide the financial framework / boundaries for the Authority with regard to ensuring that the Council complies with the relevant legislation, is acting prudently and that its capital expenditure proposals are affordable. These were approved by the Council on 3 March 2011 for the 2011/12 financial year.
- 5.2 International Financial Reporting Standards (IFRS) are the latest accounting standards introduced by the International Accounting Standards Board (IASB). They have been adopted by local authorities in 2010/11 for the preparation of year end Statement of Accounts. The introduction of IFRS has meant that some figures used within the determination of the Prudential Indicators have been amended. Consequently, an update of the Indicators is now required.
- 5.3 One of the key areas of change for Sefton, as part of the implementation of IFRS Accounting, has been the reclassification of certain "operating" leases as "finance" leases.

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- 5.4 Under an operating lease, the value of future lease payments are disclosed in a note to the accounts, but are not recorded within creditors on the balance sheet. The value of the asset is also not recorded within fixed assets. Whereas, under a finance lease, they have to be identified within the Balance Sheet. The value of the asset is recorded within fixed assets, whilst the liability for all future payments is now recorded within creditors.
- 5.5 The implication for Sefton has been that the value of assets and liabilities in the 2010/11 Accounts increasing significantly since the 2009/10 Statement. The effect of this change is:
- the value of fixed assets has risen by some £19.082m;
 - the level of our borrowings recorded on the face of the balance sheet has also increased by £18.429m to reflect the anticipated future creditor payments under the finance lease. For information, in addition to the creditor payments recorded in the balance sheet, £0.653m of interest, payable under the leases, has been recorded within the Capital Adjustment Account i.e. the difference between the above two figures.
- 5.6 It should be noted that the above is a technical change to the Accounts. No new agreements or borrowing has been undertaken in respect of these leases, it is merely the way that these historic agreements are being presented within the Statement of Accounts.
- 5.7 As a consequence of this accounting change, the increase in fixed assets / borrowing figures needs to be reflected in the Prudential Indicators. The key indicators that require revision due the changes made on the balance sheet are the capital financing requirement (CFR), the operational boundary and the authorised limit. The amendments to these indicators are highlighted in **Appendix 1**. The update of the indicators is merely a technical adjustment; it will not adversely affect the Council, or require any change to how we finance the newly categorised finance leases.

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APPENDIX 1

PRUDENTIAL INDICATORS 2011/12 – AMENDED AUGUST 2011

1. Capital Financing requirement

The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements. The indicator approved in March 2011 is compared to the revised indicator incorporating the effects of IFRS below:

Capital Financing Requirement					
	<u>31/03/10</u> £m	<u>31/03/11</u> £m	<u>31/03/12</u> £m	<u>31/03/13</u> £m	<u>31/03/14</u> £m
	Actual	Estimate	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund as approved	182.400	194.700	207.000	204.000	199.000
<u>As revised under IFRS</u>		211.500	224.000	222.000	217.000

This increase in the CFR reflects the reclassification of operating leases to finance leases, and also the revision of certain fixed asset valuations as noted in 1.4 above.

2 Prudential Indicator – Borrowing Limits

- 2.1. External borrowing undertaken by the Council arises as a consequence of all the financial transactions of the Authority, both capital and revenue, and not simply those arising from capital spending. The Council manages its Treasury Management position in terms of its external borrowings and investments in accordance with its approved Treasury Management Strategy and Policy Statements.

The Operational Boundary

- 2.1.1 The Operational Boundary sets a limit on the total amount of long-term borrowing that the Council can undertake. It reflects the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices. The figures are based on prudent estimates.

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2.1.2 The indicator approved in March 2011 is compared to the revised indicator incorporating the effects of IFRS below:

<i>Operational Boundary - approved March 2011</i>				
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	140.000	159.000	163.000	164.000
Other long term liabilities	7.500	6.500	6.500	5.500
Total	147.500	165.500	169.500	169.500

<i>Operational Boundary - revised under IFRS</i>				
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	158.000	177.000	181.000	182.000
Other long term liabilities	7.500	6.500	6.500	5.500
Total	165.500	183.500	187.500	187.500

The above change reflects the inclusion of the finance lease liabilities on the balance sheet, which have been reclassified from operating leases as required under IFRS. The total value of the liability is £18.429m.

The Authorised Limit

2.1.3 The Authorised Limit sets a limit on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the authorised limit. The authorised limit determined for 2011/12 will be the statutory limit determined under section 3 (1).

2.1.4 The Council is asked to delegate authority to the Head of Corporate Finance and Information Services to effect movement between the separately agreed figures for borrowing and other long-term liabilities within the total authorised limit for any year. Any such changes will be reported to the Council at the earliest opportunity.

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2.1.5 The indicator approved in March 2011 is compared to the revised indicator incorporating the effects of IFRS below:

Authorised Limit - approved March 2011				
	<u>2010/2011</u> <u>£m</u>	<u>2011/2012</u> <u>£m</u>	<u>2012/2013</u> <u>£m</u>	<u>2013/2014</u> <u>£m</u>
Borrowing (short & long-term)	155.000	174.000	178.000	179.000
Other long term liabilities	7.500	6.500	6.500	5.500
Total	162.500	180.500	184.500	184.500

<i>Authorised Limit – revised under IFRS</i>				
	<u>2010/2011</u> <u>£m</u>	<u>2011/2012</u> <u>£m</u>	<u>2012/2013</u> <u>£m</u>	<u>2013/2014</u> <u>£m</u>
Borrowing (short & long-term)	173.000	192.000	196.000	197.000
Other long term liabilities	7.500	6.500	6.500	5.500
Total	180.500	198.500	202.500	202.500

The above change reflects the inclusion of the finance lease liabilities on the balance sheet, which have been reclassified from operating leases as required under IFRS. The total value of the liability is £18.429m.

Prudential Indicator – Financing Costs/Net Revenue Stream

2.1.6 This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers. From 2011/12 Net Revenue Stream no longer includes Area Based Grant.

2.1.7 The indicator approved in March 2011 is compared to the revised indicator incorporating the effects of IFRS below:

<i>Financing costs/Net revenue stream - approved March 2011</i>				
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
General Fund	5.2%	6.4%	6.9%	6.7%

<i>Financing costs/Net revenue stream - revised under IFRS</i>				
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
General Fund	5.3%	6.3%	6.7%	6.5%

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Report to: Cabinet Member - Transportation
Cabinet
Council

Date of Report : 5th August 2011
Date of Meeting : 18th August 2011
1st September 2011

Subject: Merseyside Local Sustainable Transport Fund Project –
Facilitating Sustainable Access to Employment in Merseyside

Report of: Director of Built Environment **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

To advise the Cabinet of Sefton's role in the Merseyside Local Sustainable Transport Fund project and to seek authority to commit and to allocate the funds.

Recommendation(s)

It is recommended that Cabinet Member Transportation note the report and recommends Cabinet to approve the allocation of funds and authorise officers to commence commitment of the funds.

Cabinet

It is recommended that:-

- (i) the elements of the Merseyside Local Sustainable Transport Fund (LSTF) project to be delivered in Sefton be noted;
- (ii) it be noted that Merseytravel is the lead accountable body for the Merseyside LSTF project;
- (iii) the Head of Corporate Finance and ICT be authorized to enter into a Memorandum of Understanding with Merseytravel to enable the project to commence and subsequently to enter into a formal agreement with Merseytravel for the funding, delivery and monitoring of the project;
- (iv) the Council be recommended to approve the inclusion of £260,000 in the Capital Programme phased as indicated in paragraph 2.5; and
- (v) officers be authorized to commence commitment of the funds.

Council approve the inclusion of £260,000 in the Capital Programme phased as indicated in paragraph 2.5

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How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People	✓		
6	Creating Safe Communities	✓		
7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

Reasons for the Recommendation:

To allow the funds to be committed to commence delivery of the bid and ensure the required spend is made in the current financial year.

What will it cost and how will it be financed?

(A) Revenue Costs

£465,000 of grant available over the four years of the fund (until 31 March 2015), including £60,000 in 2011/12

(B) Capital Costs

£260,000 of grant available over the four years of the fund, including £15,000 in 2011/12

All funds will be met by the Department for Transport through the Local Sustainable Transport Fund through Merseytravel as the accountable body.

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Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	None
Human Resources	None
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD 887/11) has been consulted and any comments have been incorporated into this report.

Head of Corporate Legal Services (LD 246/11) has been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

No

Implementation Date for the Decision

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

Contact Officer: Stephen Birch
Tel: 0151 934 4225
Email: stephen.birch@sefton.gov.uk

Background Papers:

Merseyside Local Sustainable Transport Fund application form

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1.0 Introduction

- 1.1 At the meeting of the Cabinet held on 14th April 2011, Members approved the progression of bids for inclusion in the Local Sustainable Transport Fund (LSTF) in partnership with the Merseyside Integrated Transport Authority (ITA) and the Merseyside local authorities. The success of the Merseyside bid and an overview of the content of the project was reported to Cabinet on 21st July 2011

2.0 The Merseyside LSTF Project - Facilitating Sustainable Access to Employment in Merseyside

- 2.1 The Merseyside project submitted by Merseytravel was for £4.877m, to be used across Merseyside to support sustainable access to employment. This project is a key component of a larger £27m bid being considered by the Government for a decision later this year. The Merseyside key component project focuses on working with employers to develop workplace travel plans and active workforce initiatives, providing travel advice and supporting travel to employment and training and also improving facilities for walking and cycling.
- 2.2 Sefton will receive £725,000 from the Merseyside project to work with local businesses in addressing transport issues, to continue the work of the neighbourhood travel team in providing travel information and practical assistance to help people get to jobs, interviews or training and to improve accessibility for pedestrians and cyclist to key employment locations. Further details are provided below.
- 2.3 The bid has been approved in full and Merseytravel will act as the lead Authority and accountable body. The project will be administered by Merseytravel in accordance with the Terms and Conditions specified by the Department for Transport (DfT). The letter of confirmation for the project from the DfT is attached as Annex A. Merseytravel proposes to enter into formal agreements with the partner local authorities for the management, delivery and monitoring of the project. However, this may take time to finalise so, as an interim measure, Merseytravel is proposing the use of a Memorandum of Understanding with the partner authorities to enable the project to commence and to support the partners in committing resources to project delivery. This is particularly important because there are spending commitments to be met in 2011/12 and the DfT has made it clear that there is no scope for carrying forward any funding to future years.
- 2.4 It is recommended that the Head of Finance is authorised to enter into the Memorandum of Understanding with Merseytravel and the subsequent formal agreement to enable the delivery and financial management of the project.
- 2.5 The funding amounts and spend profile for the components of the project to be delivered in Sefton are summarised below.

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Working with Employers	£k	2011-12	2012-13	2013-14	2014-15	Total
	Revenue	30	60	55	50	195
	Capital	5	15	15	15	50
Travel Solutions	£k	2011-12	2012-13	2013-14	2014-15	
	Revenue	30	90	95	55	270
	Capital					
Sustainable transport infrastructure	£k	2011-12	2012-13	2013-14	2014-15	
	Revenue					
	Capital	10	70	70	60	210
GRAND TOTAL						
		75	235	235	180	725

2.6 Members will note that there is spend profiled for 2011/12 and in order to deliver the aims of the project and meet this spend it is necessary to commence committing funds at the earliest opportunity.

2.7 In view of the above and subject to confirmation of the Memorandum of Understanding with Merseytravel, the Cabinet is requested to authorise officers to commence commitment of the funds identified for 2011/12. Delivery of these commitments will be subject to further subsequent reports to the Cabinet Member – Transportation.

3.0 Project Spend 2011/12

3.1 Paragraph 2.5 above outlines the spend profile for all Sefton's elements of the project. The proposed spend for 2011/12 is as follows:-

3.1.1 **Working with Employers (£30k Revenue, 5k Capital)** - This element of the project consists mainly of the appointment of a Business Travel Advisor who will engage with employers through the existing Invest Sefton business network to identify travel related concerns and issues for local business and initiate working programmes with employers to address these concerns. In addition, a "Sustainable Transport" business engagement strategy will be defined and agreed with partners as part of the wider Sefton Sustainable Economic Development strategy and themed business events will be undertaken. There will be engagement with growth employers on bespoke support programmes for local recruitment and retention, with early activity centred on employers within the Dock estate. It is also intended to support the establishment of business networks based at key employment locations in Sefton including Atlantic Park Netherton, Southport Business Park, A565 route corridor (Waterloo and Crosby). Capital resources will be used to fund a business travel grant scheme to assist employers with introducing initiatives or infrastructure in support of workplace travel plans.

3.1.2 **Travel Solutions (£30k Revenue)** – This targeted package of measures is aimed at making people more employable by expanding their travel horizons, developing independence and enabling them to obtain and retain employment. Delivered in conjunction with existing employment services it will assist key groups such as long term unemployed, NEETS, Incapacity Benefit Claimants, ex-

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offenders and recovering drug users with both seeking and securing employment. It will include the provision of personal travel advice, journey planning and, where appropriate, specific assistance with travel through the provision of public transport travel passes or by supplying a bicycle. The scheme will be delivered by Sefton Council through its existing delivery arrangements of employment support Sefton@Work and the Neighbourhood Travel Team. The funding provides specific support for some of the staff costs of the Neighbourhood Travel Team, currently employed by Sefton Council. Additional links will be provided through Job Centre Plus and other agencies. Community engagement for the delivery of the employability services will be provided through Sefton CVS and other partners within the Sefton Local Strategic Partnership

- 3.1.3 **Sustainable Transport Infrastructure (£10k Capital)** – This element of the project is intended to provide new or improved walking and cycling infrastructure at key employment locations, thereby improving access for pedestrians and cyclists to these key employment locations. Initially, potential infrastructure improvement schemes at key employment locations will be evaluated and preliminary design of suitable schemes will be undertaken as a basis for consultation with employers at the selected locations and with the associated local communities. These interventions can be incorporated into the action plan for the Strategic Regeneration Framework for North Liverpool/South Sefton.

4.0 Financial Implications

- 4.1 The Head of Corporate Finance and ICT comments that the financial implications of the report for the Council are that the expenditure of £60,000 revenue and £15,000 capital to be incurred in 2011/12 is to be funded by grant from the Local Sustainable Transport Fund, along with further funding up to 2015 as shown in the schedules above, awarded by the Department for Transport and administered by Merseytravel. Confirmation is awaited from the DfT and Merseytravel on procedures as to how the grant will be claimed. There are not expected to be any financial resource implications to the Council as a result of this project as it is fully funded.

Department for
Transport

Neil Scales
Director General and Chief
Executive, Merseytravel
24 Hatton Garden
Liverpool
L3 2AN

Jessica Matthew
Deputy Director Sustainable Travel
Department for Transport
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Direct Line: 020 7944 4749
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Web Site: www.dft.gov.uk

5 July 2011

Dear Neil Scales,

Facilitating Sustainable Access to Employment in Merseyside

I am pleased to inform you that Ministers have approved the above Key Component bid to the Local Sustainable Transport Fund, submitted in April. I can tell you that we received a very healthy response to the Fund and a large number of bids which Ministers fully considered before arriving at their decisions.

This bid is excellent at describing how you will achieve the core objectives of the Fund, by meeting your communities' needs for access to employment. The package of measures focuses on advice to employers, and we would recommend that you build on this by considering what services to offer businesses directly as well.

The Department's funding contribution to the project will be paid as resource and capital grant on the basis of the expenditure profile set out in your bid document. There will be no opportunity to carry forward any unspent funds into subsequent financial years. In order to manage funding levels nationally, we would be open to any requests to bring forward expenditure from 2012/13 into 2011/12. Please contact Richard Mace (richard.mace@dft.gsi.gov.uk ; 020 7944 6647) should you wish to do so.

We will write to you shortly with a formal offer of grant under Section 31 of the Local Government Act 2003. The letter will include the full terms and conditions under which the grant is to be provided. These conditions will include accepting full financial responsibility for the project going forward and a commitment to submitting quarterly reports to the Department on progress and expenditure. You will be asked to confirm these conditions in writing.

Thank you for taking the time to develop your bid to the Fund. My team and I look forward to working with you and we wish you every success in implementing the project and realising the benefits for your local communities.

Yours sincerely,



Jessica Matthew

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Agenda Item 8

Report to: Cabinet Date of Meeting: 18th August 2011

Subject: Introduction of fees for planning pre-applications

Report of: Head of Planning Services Wards Affected: All

Is this a Key Decision? No Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

This report was considered by Planning committee on 29th June 2011 when the proposals were approved subject to ratification of proposed pre-application charging by Cabinet.

Recommendation(s)

1 That Cabinet agrees the introduction of charging for Planning pre-applications from 1st September or as soon after as is procedurally possible.

2 That it be noted that the proposal was a Key Decision but, unfortunately, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) has been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the projected income from the charging is included in this year's budget.

How does the decision contribute to the Council's Corporate Objectives?

	Corporate Objective	Positive Impact	Neutral Impact	Negative Impact
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being		✓	
5	Children and Young People		✓	

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6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendation:

To provide a balance which provides additional income for the Council but also results in an improved service to the customer which could potentially reduce their costs at a later date.

Financial Implications:

What will it cost and how will it be financed?

(A) Revenue Costs - as part of the Council’s budget setting process for 2011/12, an assumed income target has been incorporated into Planning budgets of £30,000 from pre-application charging. It is now unlikely that this can be fully realised in 2011/12, due to delays as a result of the need for consultation and to obtain subsequent approval for implementing such charges. Members should note this as a budgetary issue in the current Financial year. As implementation is delayed until at least 1st September the pro-rata income would only be £17, 500 and this is likely to be at a reduced level for the first couple of months as applicants will have anticipated the introduction of fees .An income target of £15,000 would be more realistic

(B) Capital Costs none

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal - .Under the provisions of the Local Government Act 2003, the Council can charge for discretionary services ,such as providing pre-application advice, as long as the recipient of that service is prepared to agree to that arrangement.	
Human Resources – none	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery: Improvement

What consultations have taken place on the proposals and when?
Consultation on introduction of fees. Responses included in report.

FD 876 – The Head of Corporate Finance and ICT has been consulted and any comments have been incorporated into the report, in particular within the Financial implications section above.

LD 243/1 The Legal Director has been consulted. Comments as above.

Are there any other options available for consideration? Included in report

Contact Officer: Sue Tyldesley Telephone: 0151 934 3569

Background Papers:

The following papers are available for inspection by contacting the above officer(s).

Report to Planning committee 09/03/2011 on introduction of pre-application charging

Background

From time to time it is important to look at the way in which planning applications, particularly those that are considered by Planning Committee are considered and to seek to identify where improvements can be made to the present system to improve the quality of service offered to the public.

This report looks at the different stages in the process to bring together a comprehensive report. Once agreed by Planning Committee this information will be put on the Council's website to try to make the various parts of the system clearer for members of the public.

Pre-application discussions

Issues

These are a really important part of the planning process and seek to add value to proposals; they flag up the need for relevant information and reports; highlight potential issues and try to find solutions to them. They should be seen as a positive and helpful part of the process. A more formal Development Team approach to pre applications has been recently introduced by officers to ensure consideration of major proposals at an early

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stage by relevant council officers including planning, highways and environmental health considerations. Taken together this approach amounts to a significant improvement of our pre-application service which is for the benefit of the customer as well as trying to secure the best solutions on the ground.

However, in order to provide this service we feel the need to introduce charging for pre application advice. In response to our consultation on charging only 13 responses have been received (see attached appendix). There will be no charge for pre-application advice where there is no charge for the subsequent application. In addition it has previously been agreed that there will be no charge for pre-applications for householder proposals except where a meeting is requested.

Overall these responses are few in number and do not oppose charging in principle but seek to clarify where charges will be levied and seek to ensure that the service given is a good one.

There may also be cases when there would be an advantage in making Members aware of pre-application discussions on some major proposals. In these circumstances – and subject to approval of the party spokespersons - officers will arrange for the developer to present pre application details to members in a structured setting. This would need to be managed such that members are able to understand proposals but are not expected to give feedback to the developers. Officers will ensure that this process is properly organised and minuted for members so that probity processes are followed.

Recommendation

1. That charging for pre application advice be introduced in accordance with the attached schedule (Appendix 2) subject to ratification by Cabinet, from 1 September 2011 or as soon after as is possible once the appropriate procedural measures have been taken.
2. that on occasion, and in agreement with Party Spokesperson, there may be opportunities for applicants to make a presentation to Members on specific significant applications at pre-application stage. This will be for information and questions only and will be properly minuted. These presentations would precede the Visiting Panel meeting.

Decision making

The vast majority (94% of applications) were dealt with under delegated powers last year. The system works well and increases the speed of decision for most applications. There are no proposals for making significant changes here but there are a number of minor updates which are needed to reflect changes in the planning system. These are set out below.

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- 1 there are a few places in the scheme where the wording is not clear and could be read in different ways. A minor adjustment to wording would assist and add clarity.
- 2 there are new procedures and types of application (particularly those dealt with by the IPC and their associated paperwork – the Statement Of Community Consultation (SOCC) not covered by the existing scheme .

Recommendation

That a report outlining these changes and a general update to the scheme of delegation be prepared for the next Committee.

Petitions process

This is set out in the constitution and refers to all committees. The present system would see to work well but there have been some concerns about certain aspects as below.

Recommendations

1. A simple FAQ document will be prepared to set out petitioning procedures and explaining how to follow the progress of planning applications on the web. The earlier a petition is submitted the better.
2. Late information is to be discouraged as it is difficult for councillors to fully assimilate a lot of detail at the last minute. One paper, deadline 12 noon on day before committee will be prepared and anything received after that will now be summarised verbally to committee.
3. **Speaking at committee**
There have been occasions when a petitioner chooses not to speak but the ward councillor speaks instead and there is then no right of response by the applicant. This seems contrary to natural justice and has been subject of complaints. A change to this process is recommended that where an item has been petitioned (and only then) and the applicant has come ready to speak then if anyone speaks (petitioner or ward councillor) there should be a right of reply.

Visiting panel

All sites are visited by Case Officers before any recommendations are made on applications. However, there are some sites where the full impact of a proposal can only be fully appreciated by a site visit and the organised visiting panel would appear to be appreciated by Members.

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At present the Visiting Panel meets every other month which can result in a long delay if an application is deferred when there is no visit next month

Recommendations

1. that a Visiting Panel takes place every month on the Monday before every Planning Committee (Tuesday if Bank holiday) starting in July 2011 for a half day. This will start at 9.30am from Bootle or Southport depending on the location of visits. A vehicle with suitable disabled access will be provided. It is hoped that Members will inform officers (via Party Spokespersons) in good time if there are specific sites they wish to visit.

Decisions

The officer report on every application will give a considered and justified recommendation. There are, quite rightly, some occasions where Members place a different balance of weight on planning considerations and wish to make a decision contrary to recommendation. This presents a difficulty as officers have prepared the case to the best of their ability and have not been able to consider the different balance of weight considered appropriate by Members.

Recommendation

Officers may find it very difficult to interpret Members' views into well considered reasons on the spot. Moreover if the new recommendation is for approval there will need to be conditions drafted. Conditions and reasons for refusal form part of the legal decision notice and need to be carefully drafted in order to comply with various legislation and guidance. In order to streamline the system and avoid unnecessary delays it is suggested that where these reasons cannot be clearly made on the night of committee then committee should make the decision but delegate the details of the wording/recommendation to officers in consultation with the 3 party spokespersons.

Appeals

Where an appeal is lodged against a decision which was contrary to officer recommendation and is to be heard at an Inquiry or hearing, the Councillor who moved the recommendation would normally be expected to give evidence. Failing that a Member from the same party who was present at the

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Meeting should substitute. Officers will provide support in compiling the evidence and supporting the Member on the day.

Member Training

Starting in July 2011 it is proposed that there will be a training session for Councillors on the Planning Committee day at 4.45-5.45pm. Officers will prepare the training programme to cover topical and relevant planning matters. Members are requested to advise officers of any particular requests for training so that these can be considered and planned into the programme. Some early suggestions are; overview of the planning process and understanding material considerations; localism and neighbourhood plans; Community Infrastructure Levy and S106 changes.

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APPENDIX : SUMMARY OF CONSULTATION RESPONSES

Respondent	Comments	Our response
National Trust	<p>Query timescale for contact to be made and suggest this should be 14 days</p> <p>Request that registered charities should not be charged for pre-application advice(they are to be exempt from CIL)</p>	<p>Scheme clarified and reduced time included.</p> <p>It is important for the scheme to be simple. Pre-application fees should be payable where a fee is required for the eventual application.</p>
Natural England	Does not fall within the scope of proposals which NE would normally comment on	
The Council for British Archaeology	<p>Charging for householders or small businesses would be an unfair burden.</p> <p>Would not support charging for Listed Buildings and developments within Conservation</p>	<p>There are no pre-application fees proposed for householders, trees or Listed building proposals.</p> <p>Developments in Conservation areas will be charged for as they can involve a lot of officer time and effort and development will normally result in increased value to the site.</p>
United Utilities	Welcome pre-application advice at a very early stage. Work by statutory undertakers should be exception to charging	Whilst there is work involved in response to Statutory Undertakers/consultees, they also provide consultation response to other schemes and this balances out
Merseytravel	Since Merseytravel provide consultation advice on applications free of charge, no charge should be levied for Merseytravel's own pre-applications.	
HSE	HSE provides tentative pre-application advice using PADHI+but does not have the resources to provide more detailed pre-application advice. HSE is considering charging for consultation advice	Consultations with HSE are unusual and would not be part of the pre-application response except in terms of need for specialist input.

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<p>Police Architectural Liaison Officer</p>	<p>Support the value of and charging for pre-application advice; would encourage inclusion of designing out crime in validation checklist for pre-applications Ask that crime reduction advice be included in pre-application responses.</p>	<p>Reference to crime reduction will be included in checklist The views of the Police Architectural Liaison Officer will be included in the development team response where appropriate.</p>
<p>Ron Baker</p>	<p>Suggests double charge for retrospective applications; penalty charge for failing to comply with conditions.</p>	<p>These comments can't be addressed through pre-application charging but will be taken into account in the local setting of application fees.</p>
<p>Joe Barnes</p>	<p>Supports the principle of charging but should not be applied to householders or for advice on works to trees.</p>	<p>There will be no charge for householders except where a specific request is made to meet on site. There will be no charge fro pre-application discussions where there is no charge for the application , including trees.</p>
<p>Steve Chapman</p>	<p>There should be a consistency throughout Merseyside,indeed nationally and standard form of application, checklist and charging.</p> <p>Pre-application should be deducted from the planning application fee in due course.</p>	<p>A charging regime across Merseyside would be helpful and was discussed.However other boroughs have now decided not to go down this route –some because of lack of staff resources.</p> <p>The possibility that future application fees should be discounted is not possible at present but will be considered when application fees are set locally.</p>
<p>Andrew Irving</p>	<p>Generally supports principle. Suggests that application fee should be discounted by the cost of , or at least a sizeable proportion of , the pre-application fee</p>	<p>As above</p>

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<p>RAL</p>	<p>Welcome measures to improve the quality of pre-application response and provide more constructive ways forward than received in the past. Will accept fees if result in a more positive and proactive response to development.</p> <p>Specific comments</p> <ul style="list-style-type: none"> - checklist too prescriptive-would prefer more generic requirement - needs to be consideration of the big picture and not just detail - response time of 10days should be an absolute maximum - doesn't understand why valuation work should be discouraged - charging regime not fully clear; concern that payment up front is an issue when private sector tends to invoice afterwards; don't like hourly rates as they reward inefficiency. - major concern about overturns at Committee which render pre-application work and negotiations useless 	<p>Checklist will be amended to be more flexible</p> <p>Agree</p> <p>This depends on how much work is involved and the pressure of statutory work. 10 days is considered to be a very tight timescale for response</p> <p>Such work is not discouraged. However it can result in a lot of abortive work for planning officers It is routine to pay for valuation advice and planning should be part of that..</p> <p>Some further clarification introduced. Payment up front is usual for planning application fees. Longer pre-applications , on hourly rates will be invoiced; hourly rates are hard to avoid as it is not clear how long something will take. The number of hours will be clearly explained in terms of what has been done.</p> <p>A democratic process can't avoid this entirely. There are proposals elsewhere on the agenda to include Members in significant pre-application discussions</p>
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PRE-APPLICATION ADVICE

PROPOSED FEE SCHEDULE

	FEE
Site history requests	£30 per hour or part thereof
Householders	No fee
Minor development Less than 3 dwellings <ul style="list-style-type: none"> • All non-residential schemes with a floorspace less than 500 sq m or sites less than 0.5 ha • Adverts • Change of use of building(s) with a floorspace less than 500 sq m or sites less than 0.5 ha • Single wind turbines/telecoms mast under 17m high 	£50 if meeting requested £100 to cover one unaccompanied site visit and one letter or £150 if meeting requested; Hourly rate thereafter
Intermediate development 3 to 25 dwellings <ul style="list-style-type: none"> • All non-residential schemes with a floorspace between 500 sq m and 2,000 sq m or on sites between 0.5 ha and 2 ha • Change of use of building(s) with a floorspace between 500 sq m and 2,000 sq m or sites between 0.5 ha and 2 ha 	£200 to cover one site visit and one letter or £250 if meeting requested; Hourly rate thereafter
Significant development 26 or more dwellings <ul style="list-style-type: none"> • All non-residential schemes with a floorspace over 2,000 sq m or on sites over 2 ha • Change of use of building(s) with a floorspace over 2,000 sq m or sites over 2 ha • Any scheme requiring an Environmental Impact Assessment 	£750 to cover up to one site visit and two meetings; Hourly rate thereafter

No charge will be made for pre-applications which relate to applications for which there is no fee payable (eg trees, listed buildings)

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Report to: Cabinet **Date of Meeting:** 18 August 2011

Subject: Progress Report on Sefton New Directions

Report of: Jill Coule **Wards Affected:** All
Head of Corporate Legal Services

Is this a Key Decision? No

Is it included in the Forward Plan?
No

Exempt/Confidential No

Purpose/Summary

To provide an update on the Council's shareholding in the local authority controlled company Sefton New Directions as requested by Council on 17 May. As the situation is currently developing a verbal update will be given at the meeting

Recommendation(s)

Cabinet is requested to consider the report and the verbal update

That quarterly updates be provided to Cabinet on its shareholding and any other relevant information

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

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Reasons for the Recommendation:

Council on the 17th May requested a progress report be presented to this meeting in order that the Council's interest as shareholder is understood and protected.

What will it cost and how will it be financed?

(A) Revenue Costs

Nil

(B) Capital Costs

Nil

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal The legal implications are contained and discussed within the contents of the report. The Council is acting under its powers as a shareholder and exercising those in accordance with the Companies Act 2006 (as amended).
Human Resources None arising form the contents of this report
Equality 1. No Equality Implication <input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated <input type="checkbox"/>
3. Equality Implication identified and risk remains <input type="checkbox"/>

Impact on Service Delivery:

Officers continue to work closely with SND in light of the circumstances outlined in the report to manage any impacts on service delivery and service users.

In the event of the company being dissolved, a carefully managed process would take place to ensure continuity of service.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD.904) has been consulted and her comments have been incorporated in the report

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The Head of Corporate Legal Services is the report author. There are no legal implications arising from the contents of this report. LD 363/11

Are there any other options available for consideration?

Implementation Date for the Decision

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

Contact Officer: Jill Coule, Head of Corporate Legal Services

Tel: 0151 934 2032

Email: jill.coule@sefton.gov.uk

Background Papers:

.Report to Council 17 May 2011 - Sefton New Direction – Shareholders Permissions

1. Introduction/Background

1.1 Members will recall that a report was presented to full Council on 17 May 2011, in respect of the above named company and the Council’s shareholding. This report noted that the Board of SND had, since 2008 been attempting to secure the future viability of the Company. The main risk to this viability being the potential liability arising from a large number of Employment claims. Numerous attempts (including meetings through ACAS) have been made to reach an agreed settlement. In addition to this risk, the Council as the commissioner of adult social care has given notice in 2010 to the company that it is reducing its fee by £3 million with effect from April 2011 in order to bring its costs in line with other providers. The Company resolved that a fundamental change to the structure of the company and its employment arrangements was necessary to ensure its future viability

1.2. A number of important decisions were made on 17 May which are précised below. The effect of the Council resolutions is valid until 31 December 2011.

- To note the proposals made by Fresh Care Consulting with respect to future viability of Sefton New Directions (SND);
- To note the efforts in respect of settling the Employment Tribunal claims;
- In accordance with SND’s Articles of Association, the Council, as shareholder, resolves and consents in relation to the actions outlined in the relevant Appendices to allow the Board to carry out certain actions such as:
 - dismiss and re-engage employees as necessary,
 - to allow staff to take voluntary redundancy and/or voluntary early retirement as appropriate
 - if necessary to allow the Board to dissolve the Company
- To authorise the Council’s Head of Corporate Legal Services to sign the Council’s resolution in accordance with company law requirements:

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- To authorise the Head of Corporate Legal Services to review the Council's current arrangements with respect to its oversight of the shareholding in SND and to make recommendations to Cabinet in due course.

1.3 Sefton New Directions (SND) was incorporated in 2007 as a local authority trading company. Sefton Council is the sole shareholder. The Company is an independent legal entity and operates under the governance of a Board. The Board is responsible for the Governance of the Company. The Company is registered with the Commission for Social Care Inspection and conducts a range of care services. These services include residential homes, intermediate care, respite services, day services, supported living and meals on wheels. The services are provided to learning and physically disabled adults, older people and residents suffering from mental health and dementia. The client groups are primarily Sefton residents with some services being provided to Sefton NHS and other PCT's. There are circa 1100 service users at any one time. The company operates from 25 bases in the borough, which mostly belong to the Council. The company employs 500 staff, most of whom were Sefton staff immediately before the company formation and transferred under the TUPE provisions. The Board consists of the following Directors; Councillors Parry, Rimmer, Brennan and the Council's Chief Executive. The Board is advised on HR matters by the Head of Corporate Personnel.

2. Latest Position

Discussion and negotiations have been ongoing between the Company and the Trade Unions. These discussions include the outstanding employment claims and a review of staff terms and conditions. These negotiations have been productive and positive and are still ongoing. An update will be given at the meeting.

Given these ongoing issues, it is important that the Council retains an oversight of its shareholding in the company. To that end, it is proposed that quarterly reports be brought to Cabinet reporting on the above issues and any other issues relevant at that time.