

MEETING: CABINET
DATE: Thursday 10th November, 2011
TIME: 10.00 am
VENUE: Town Hall, Southport

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: Steve Pearce
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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 13 October 2011		(Pages 5 - 12)
4.	Public Health Annual Report 2011 Annual Report of the Director of Public Health Dr. Janet Atherton, Director of Public Health for NHS Sefton and Sefton Council will give a brief presentation to the Cabinet	All Wards	(Pages 13 - 44)
5.	Transformation Programme Update Report of the Chief Executive	All Wards	(Pages 45 - 54)
* 6.	Transformation Programme 2011-2014 Report of the Chief Executive to follow	All Wards	
7.	Capital Programme Update Joint report of the Strategic Director – Place and the Head of Corporate Finance and ICT to follow	All Wards	
8.	Treasury Management 2011/12 - Half-Yearly Update Report of the Head of Corporate Finance and ICT	All Wards	(Pages 55 - 70)
9.	Sefton New Directions Update Report of the Head of Corporate Legal Services	All Wards	(Pages 71 - 76)

10. Exclusion of Press and Public

To consider passing the following resolution:

That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 and 4 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

11. Redundancy Pay Survey

Report of the Director of Corporate Support Services

All Wards

(Pages 77 - 104)

* **12. Marine Drive, Southport**

Report of the Director of Built Environment

Dukes

(Pages 105 - 114)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 25 OCTOBER, 2011. MINUTE NOS. 45, 50(2) AND 50(7) ARE NOT SUBJECT TO "CALL-IN".

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 13TH OCTOBER, 2011

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

42. **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

43. **DECLARATIONS OF INTEREST**

The following declarations of interest were received:

Member/Officer	Minute No.	Reason	Action
Councillor Brodie-Browne	50 - Transformation Programme 2011-2014	Personal - his employer is involved in contracts with the Council who may be affected by the options set out in the report	Stayed in the room and took part in the consideration of the item
Councillor Moncur	50 - Transformation Programme 2011-2014	Personal - his spouse is employed by Connexions who may be affected by the options set out in the report	Stayed in the room and took part in the consideration of the item
Councillor Porter	50 - Transformation Programme 2011-2014	Personal - she is the Chair of Governors of Merefield Special School who may be affected by the options set out in the report	Stayed in the room and took part in the consideration of the item

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Councillor Robertson	50 - Transformation Programme 2011-2014	Personal - he is the Chair of the Steering Group for Maghull in Bloom who may be affected by the options set out in the report	Stayed in the room and took part in the consideration of the item
Councillor Shaw	50 - Transformation Programme 2011-2014	Personal - his son is employed by Sefton Library Service who may be affected by the options set out in the report	Stayed in the room and took part in the consideration of the item
Peter Morgan Strategic Director - People	50 - Transformation Programme 2011-2014	Personal - he is a Director of the Greater Merseyside Connexions Partnership who may be affected by the options set out in the report	Stayed in the room during the consideration of the item

44. MINUTES

RESOLVED:

That the Minutes of the Cabinet Meeting held on 18 August 2011 be confirmed as a correct record.

45. JOINT MERSEYSIDE AND HALTON WASTE DEVELOPMENT PLAN DOCUMENT: COUNCIL APPROVAL OF PUBLICATION WASTE DPD

The Cabinet considered the report of the Director of Built Environment on the results of public consultation on the Merseyside and Halton Joint Waste Development Plan Document Preferred Options 2 (New Sites Consultation) Report which was undertaken between May and June 2011.

The report also sought approval to a final six-week consultation at the end of 2011 on the document and to the submission of the document to the Secretary of State prior to the formal adoption of the document by each of the Merseyside District Councils in late 2012.

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

RESOLVED: That the report be referred to the Cabinet Urgent Business Committee for determination.

46. WINTER SERVICE POLICY AND OPERATIONAL PLAN

Further to Minute No. 32 of the meeting of the Overview and Scrutiny Committee (Regeneration and Environmental Services) held on 20 September 2011 the Cabinet considered the report of the Director of Built Environment on the proposed revisions to the current Winter Service Policy.

The report indicated that whilst current practice ensured that the Policy was reviewed after each winter, a more detailed consultation process had been undertaken this year as a result of the extreme weather events experienced in Sefton during December 2010; that Cabinet had already approved the purchase of additional snow plough blades for both carriageway and footway gritters; and that in the light of events in December 2010 and taking into account the comments made during the consultation process, an options paper had been produced and sent to all elected Members and Parish Councils seeking their views on the options.

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

RESOLVED: That

- (1) the revised Winter Service Policy document as shown in Annex B to the report be approved;
- (2) the involvement of the Cabinet Member - Transportation and Spokespersons in influencing the response to the existing Policy be noted and the Cabinet Member - Transportation be authorised in consultation with the Director of Built Environment to deviate from policy where justified and appropriate, and any such deviation be reported back to Cabinet at its next meeting;
- (3) the options numbered 2 to 8 and 10 to 11 in Section 4 of the report be approved to enhance the Winter Service Policy; and
- (4) subject to resolution 2 above, the Director of Built Environment be authorised to make any further revisions to the Winter Service Policy and Operational Plan in consultation with the Cabinet Member - Transportation.

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47. THORNTON TO SWITCH ISLAND LINK - PROGRESS UPDATE AND COMMENCEMENT OF DETAILED DESIGN

The Cabinet considered the report of the Director of Built Environment which provided an update on the current progress with the Thornton to Switch Island Link scheme; sought approval to commence the detailed design stage of the project and of the revised project management arrangements and provided details of the current scheme programme and cost profile.

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

RESOLVED: That

- (1) the progress in the preparation of the necessary statutory Orders for the scheme be noted;
- (2) approval be given to the commencement of the detailed design of the scheme in parallel to the Orders process;
- (3) the revised Project Management arrangements and Project Board representation for the scheme be approved;
- (4) the revised indicative programme for the scheme be noted;
- (5) the revised spend profile for the scheme be noted; and
- (6) the Director of Built Environment establish a liaison group with the Councillors for the Wards of Manor, Netherton and Orrell, Molyneux, Park, St. Oswald and Sudell to ensure that the Members are regularly updated on the progress made during the completion of the scheme.

48. GREEN WASTE COMPOSTING SERVICE - AWARD OF CONTRACT

Further to Minute No. 10 of the meeting held on 26 May 2011, the Cabinet considered the report of the Director of Street Scene on the evaluation of the tenders received for the Green Waste Composting Service Contract.

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

RESOLVED:

That the Contract for the Green Waste Composting Service be awarded to White Moss Horticulture Ltd. of Kirkby for a two year period from 1 November 2011 with an option to extend for a further one year period from 1 November 2013 subject to satisfactory performance.

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49. TRANSFORMATION PROGRAMME UPDATE

Further to Minute No. 37 of the meeting held on 18 August 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.

This was not a Key Decision but it had been included in the Council's Forward Plan of Key Decisions.

RESOLVED: That the progress to date on approved savings proposals, reviews and cessation of external funding as set out in the report be noted.

50. TRANSFORMATION PROGRAMME 2011 - 2014

The Cabinet considered the report of the Chief Executive which provided an update on the progress of the Transformation Programme in the delivery of approved budgetary savings; reviews of services and consultation processes being undertaken. The report also set out the details of a package of budget savings options for consultation, which were set out in the following annexes to the report:

- Annex A - Known shortfalls or significant risks that 2011/12 savings will not be fully achieved
- Annex B - Work Programme Timetable
- Annex C - Ongoing Business Efficiencies and Change Proposals
- Annex D - Equality Impact Assessments
- Annex E - Options on which approval to commence consultation and engagement activity is sought

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

RESOLVED: That

- (1) approval be given to the funding of known budget shortfalls in 2011/12 totalling £1,494,431 as detailed in Annex A of the report from the Budget Pressures Reserve established for this purpose;
- (2) that the Council be recommended to cancel its meeting on 22 December 2011 and re-schedule it to be held on 24 November 2011 in Bootle Town Hall;
- (3) the meeting of the Cabinet on 5 January 2012 be cancelled and re-scheduled to be held on 19 January 2012 in Southport Town Hall and an additional meeting of the Cabinet be held on 16 February 2012, commencing at 10.00 am in Bootle Town Hall;
- (4) the Overview and Scrutiny Committee (Performance and Corporate Services) be requested to hold an additional meeting on 21

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February 2012, commencing at 6.30 pm in Bootle Town Hall to consider the Cabinet's budget recommendations prior to the Budget Council meeting on 1 March 2012;

- (5) approval be given to the changes in the Medium Term Financial Plan assumptions as highlighted in Paragraph 5.1 of the report;
- (6) it be noted that Officers are currently progressing a number of service reviews;
- (7) the ongoing business efficiencies (C1 to C4) be noted and the Council on 27 October 2011 be recommended to approve the change proposals (C5 - C8) in Annex C of the report and mandate Officers to commence consultation and implementation processes with partners, key stakeholders, employees and Trade Unions, including the issue of relevant statutory and contractual notifications if appropriate to achieve change;
- (8) the equality impact assessments set out in Annex D of the report be noted;
- (9) approval be given to the commencement of consultation and engagement activity on the budget savings options set out in Annex E of the report;
- (10) it be noted that all figures in Annexes C and E of the report are working assumptions of proposals/options to be considered and these figures should not be seen as pre-determining any decisions;
- (11) the risks outlined in Paragraph 12 of the report be noted; and
- (12) it be noted that further options may be subsequently developed and submitted to Council for approval. However any such options will require appropriate consultation prior to their approval and implementation.

51. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That

- (1) under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the press and public;
- (2) the representatives of the Trade Unions be permitted to remain in the meeting during the consideration of Minute No. 52.

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52. TOWN LANE KEW HOUSING AND COMMERCIAL DEVELOPMENT SITE SOUTHPORT

The Director of Built Environment submitted a report on the negotiations held with Barratt David Wilson, the preferred developer for the Town Lane site on the conditional contract for the purchase of the site and the proposed submission of a formal planning application for the site.

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

RESOLVED: That

- (1) it be noted that Barratt David Wilson (BDW) desires to enter into a conditional contract to purchase the site at Town Lane, Kew and submit a planning application;
- (2) the Director of Built Environment be granted delegated power in consultation with the Head of Corporate Legal Services, to agree the terms of the contract to sell the site; and
- (3) it be noted that the valuation impact upon the purchase price, recorded in the conditional contract of sale, will flow from the determination of BDW's planning application in accordance with planning policy; and
- (4) the Director of Built Environment meet with a Members' Focus Group comprising of Councillors Maher, Porter and Weavers to update them on the proposals set out in the report.

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SOLID FOUNDATIONS

Building for the future

Sefton's Health 2011

Annual Report of the Director of Public Health

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Solid foundations: Building for the future INTRODUCTION

New Beginning

This year's annual report is written during a period of significant change within the NHS and Public Health both nationally and locally. Last year, the coalition government published two White papers, setting out their long-term vision for the future of the NHS and Public Health in England ('Equity and excellence: Liberating the NHS' and 'Healthy Lives, Healthy People: Our strategy for public health in England').

Building upon these documents and the policy update to the White Paper issued in July 2011, the Health and Social Care Bill that is currently being debated through Parliament will introduce major reforms to the NHS and the way public health is organised and delivered in England. A new public health system will be established by 2013 with the creation of Public Health England (PHE), local government being given new responsibilities for protecting and improving the health of their populations, and the appointment of a Director of Public Health in each Local Authority holding budgets ring-fenced for public health spending. In addition, Primary Care Trusts are to be phased out by 2013 and newly formed groups of General Practitioners will take on the role of commissioning healthcare for their local communities.

Opportunities for the Future

While the next few years will be challenging and eventful, when a number of major changes come into force, this is also a time of great new opportunities.

Public health is well positioned to build on **solid foundations** in Sefton, with a strong record of partnership working. I am proud of the strong relationships that exist in Sefton between public health and colleagues within the wider NHS, local authority and voluntary sectors. Thus, rather than starting from scratch, we will build on these strong foundations for the future.

This year's public health report highlights, using case studies, the excellent partnership working that is already going on in Sefton.

As the final chapter of this year's report highlights, although the national picture is still emerging, here in Sefton the Transition group is already making good progress in responding to the challenges and opportunities these reforms present. A Shadow Health and Wellbeing Board has been set up and is part of the **'early implementer'** network. Two pathfinder GP Commissioning Consortia Boards have also been established.

I am confident we can build upon these solid foundations to continue to improve the health of Sefton residents into the future.



Dr. Janet Atherton
SEFTON'S DIRECTOR OF
PUBLIC HEALTH

Solid foundations: Building for the future HEALTH NEEDS IN SEFTON

Sefton's residents are experiencing the consequences of the changing economic times and the effect this is having on their health. Health services (and public services in general) are going through a time of significant structural change. There is a strong need to remain focused on improving the health of Sefton's population and to continue to address the enduring health inequalities highlighted in previous Public Health Annual Reports.

To this end, Sefton has been successful in forming a pilot/early implementer site in developing a Health and Wellbeing Board. The Board builds on a partnership working that already exists in Sefton and aims to improve the health of the local population

through promoting effective and coordinated commissioning of services.

In Sefton, two GP Clinical Commissioning Groups or GP Consortia (GPCC) have been formed, covering South Sefton and Southport & Formby respectively. To aid and guide the development of the emergent GPCC, public health intelligence has been used to determine key health needs in each area. The aim of the reports is to provide the Commissioning Boards with a clear understanding of the health needs and characteristics of their populations to help develop commissioning plans to improve the health of all residents in Sefton and to reduce the significant health inequalities which exist.

The GPCC reports are the first in what will be a series of public health reports on the health status and needs of people living in Sefton. These first reports focus on:

- Health status
- Five main lifestyle factors influencing health and health inequalities
- Primary-care-based strategies that can promote health improvement and reduce health inequalities
- Links to community based health promotion interventions

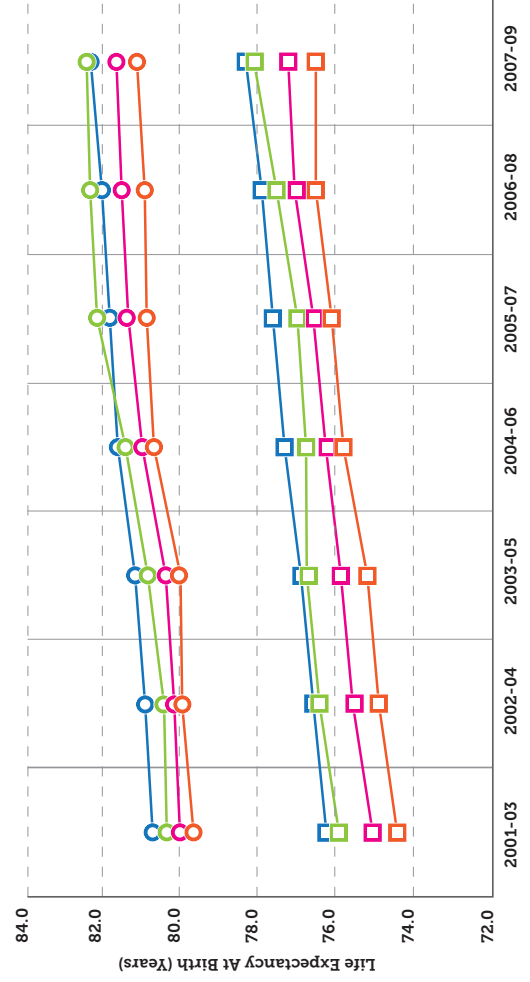
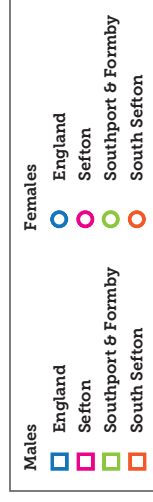
There is also an overarching assessment of health needs for Sefton that will inform the Health and Wellbeing Board and the emerging Joint Health Strategy. Building on previous Public Health Annual

Reports, Sefton's Joint Strategic Needs Assessments and NHS Sefton's five year Commissioning Strategic Plan, this chapter describes what we know about key health needs.

Population and Health Status

- Sefton GP Commissioning Groups serve 280,000 patients (273,300 residents) through more than 50 GP practices
- There are more residents aged 65 and over than under 18
- Life expectancy is 77.3 years for males (1 year below average) and 81.6 for females (0.7 years below average)
- There are differences in life expectancy for both sexes between wards (of over 10 years) within 3 miles of each other

Life Expectancy At Birth



Smoking and Respiratory Disease

Chronic Obstructive Pulmonary Disease (COPD)

- Sefton's smoking prevalence (15%) is below national and regional average (22%), but ranges from 7% to 25% within Sefton
- Compared to the England average, Sefton has 82 additional deaths a year caused by smoking and COPD
- Around 20% of all deaths are smoking-related in Sefton
- COPD prevalence is above England average; only 5 PCTs have higher COPD prevalence than South Sefton
- Sefton spent over £6m on respiratory disease related hospital admissions and 65% of COPD hospital admissions were repeat admissions
- £5.4m was spent on COPD prescribing. Of this, £4m was on inhaled corticosteroids
- £1m could be saved through more efficient prescribing

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Cardiovascular Diseases

- CVD prevalence in Sefton is higher than the England average
- Compared to England, Sefton has 27 additional deaths a year caused by cardiovascular disease (CVD)
- Sefton spends £14m on CVD related hospital admissions and £1.1m is spent on CVD prescribing. Of this over £3.7m is on Statins
- £1.4m could be saved through more efficient Statin prescribing

Alcohol

- Across Sefton, 1 in 5 residents drink at increasing or higher risk levels
- Compared to England, Sefton has 30 additional deaths a year due to excess alcohol consumption (and rising)
- Drinking at increasing or higher risk levels is higher in less deprived areas and older residents; binge drinking is higher among younger residents
- £50m spent on hospital admissions (rising by £4m/year), which are highest in more deprived areas

Mental Health

- Mental health prevalence is above average and there is wide variation between areas. Mental ill health is strongly related to deprivation
- Compared to England, Sefton has 10 additional deaths a year due to mental illness but is the highest cause of ill health
- £36m is spent on inpatient and community services, with over 50% of admissions being repeat admissions. Over £10m is spent on mental health prescribing

Obesity & Diabetes

- Over half of adults in Sefton are now overweight or obese
- Diabetes prevalence is slightly above national average
- Compared to England, Sefton has 31 additional deaths a year because of obesity and diabetes
- Overweight and obesity cost Sefton £85m per year

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Over half of adults in Sefton are now overweight or obese



What are the priorities to address these health needs?

The Department of Health (DH) toolkit on addressing health inequalities concludes that the greatest impact on reducing health inequalities will be made through targeting cost effective interventions at areas of poorest health and ensuring that such interventions are done on a large enough scale to have the necessary impact. With this in mind, a number of priority interventions have been suggested.

- Increase use of smoking cessation services
- Increase uptake of NHS Health Checks (vascular checks) for people aged 40 – 74 years
- Increase use of alcohol screening and intervention services
- Increase use of and referral to weight management services
- Widen access to social prescribing for mental health
- Increase rates and duration of breastfeeding

Lifestyle interventions can have positive benefits on several different diseases – for example helping people to quit smoking will reduce cardiovascular diseases as well as lung cancer and respiratory diseases.

It is known that interventions in one area can have positive benefits to health in other areas

The DH toolkit identified 10 major lessons that can help to reduce health inequalities. Some will seem obvious, but others may require a new approach to commissioning locally. Three pertain to the importance of leadership and partnership work; seven relate more specifically to primary care.

As public services and society change, the intelligence that supports services and access to that intelligence must also change.

Effective commissioning for improving health relies on making good use of information developments.

Intelligence Developments

Sefton Intelligence Portal

The award winning Sefton Intelligence Portal enables those with access to the NHS Sefton Intranet (including all GP practices) to view and manipulate a range of data covering primary and secondary care. Intelligence is benchmarked and also available down to patient level. Please contact the PCT for more information and access to the Intelligence Portal.

Sefton Understood

Continuing to respond to the 'Knowing Our Communities' agenda, Sefton

Understood works to increase the knowledge and understanding of the communities within Sefton. With commitment from all key public sector partners across Sefton, Sefton Understood aims to increase transparency and availability of data within and across Sefton's public services.

Sefton Public Health Intelligence

All key public health intelligence documents are now available to everyone via the PCT website and we plan to have it on the Local Authority web pages too.



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- During a period of rapid change, there is strong need to remain focused on improving the health of Sefton's population and to continue to address the enduring health inequalities
- Key Health Needs documents have been prepared for the GP Commissioning Groups and the Shadow Health and Wellbeing Board
- Circulatory diseases, cancers, respiratory diseases and mental ill health are the biggest causes of death and ill health in Sefton
- Five main lifestyle factors are being addressed to improve the health of Sefton's population and reduce health inequalities

Key Messages

Find Out More

Sefton's previous Public Health Annual Reports www.sefton.nhs.uk/about-us/news-and-media/publications/Public_Health_Annual_Reports.asp

GP Commissioning Consortia Key Health Needs www.sefton.nhs.uk/your-health/public-health-information/Key_Health_Needs.asp

Joint Strategic Needs Assessment: Dec 2010 link at www.sefton.nhs.uk/about-us/news-and-media/publications.asp

Commissioning Strategic Plan Jan 2010 link at www.sefton.nhs.uk/about-us/news-and-media/publications.asp

DH Health Inequalities Support Team tool www.dh.gov.uk/HINST

Sefton Public Health Intelligence website www.sefton.nhs.uk/your-health/public-health-information/Public_Health_Intelligence.asp

Solid foundations: Building for the future

PARTNERSHIP WORKING

Sefton is well positioned for the future with a strong record of partnership working. In Sefton, strong relationships exist between public health and colleagues within the wider NHS, local authority and voluntary sectors. Thus, rather than starting from scratch, we can continue to build on a solid foundation. Using several case studies, the Public Health Annual Report will showcase the level of partnership working in Sefton.

Over the last four years, the Public Health Annual Reports have focused on ways to reduce health inequalities. The case studies in this year's report are arranged under Professor Marmot's 'Fair Society, Healthy Lives' policy objectives and build on the last Public Health Annual Report "A Fairer Society – Sefton's Health 2010".



GIVE EVERY CHILD THE BEST START IN LIFE

Marmot Policy Objective A

The impact of what happens in the early years has lifelong effects on many aspects of health and wellbeing. These effects may be either protective, by increasing self esteem and life skills and resistance to future ill health, or hazardous, by undermining social skills and the ability to learn and creating the conditions for poor mental and physical health. Investment in the early years is vital to improve the health of Sefton into the future and to reduce health inequalities.



Healthy Start Vitamins in Children's Centres

Aim of Project

To improve access to Healthy Start Vitamins

Target Population

Pregnant women and children under 5 years of age

Partners

Children's Centres, NHS Sefton, Midwives, Health Visitors

Achievement and Outcomes

Healthy Start Vitamins provide essential folic acid to pregnant women and vitamin D to breastfeeding women and children under 5 years of age. All Children's Centres in Sefton now stock healthy start vitamins.

Having the vitamins available from the Children's Centres has greatly increased uptake. Prior to the vitamins being available in Children's Centres, only an average of 15 families from across Sefton obtained vitamins each month. Since introducing vitamins to children's centres, this has increased to an average of 160 families a month. This increase has been seen across the borough, with some of the highest increases in the areas of deprivation where the Children's Centres are located.

In addition to providing essential nutrients for children's development, Healthy Start also provides health professionals and Children's Centre staff with a great opportunity to provide encouragement, information and support to pregnant women, new mums and young families on subjects such as healthy eating, breastfeeding and vitamin supplements. This also serves to cement earlier and closer contact between health professionals and families from disadvantaged groups.

Staff from [Seaforth Children's Centre](#) have commented on how much having the vitamins available from their centre has made a difference to the families coming to their centre for services. Staff at the centre wear "Healthy Start" badges to raise further awareness of the project and as a reminder that the vitamins are available from the centre.

The Public Health White Paper places the responsibility for addressing the prevention of birth defects with the local authorities in the future and we hope to build on this programme.



Promoting breastfeeding in Sefton: Breast milk "it's amazing!" campaign

Aim of Project

Using social marketing techniques to promote the benefits of breastfeeding to prospective mothers and those who have potential to influence feeding choices.

Target Population

Pregnant women, new mothers, families

Partners

Sefton, NHS Knowlsey, Wirral and Liverpool PCT

Achievement and Outcomes

Figures show that Merseyside mums are the least likely in the UK to breastfeed their children. Across the region, Sefton boasted the highest figure with 56 per cent of mums choosing to start breastfeeding, but this still falls well below the England rate of 74%. More importantly only 27% of women continued to breastfeed at 6-8 weeks, compared to an England rate of 46%. This has led four PCTs in the region to jointly launch a new social marketing campaign 'Breast milk ...it's amazing!' to promote the benefits of breastfeeding.

The "it's amazing!" campaign is focused on women who held positive experiences about breast feeding but lacked any personal experience. Local research showed that these women were most likely to give up if problems arose due to lack of support. The "it's amazing!" campaign has been thoroughly researched with our target audience right down to the campaign colours, imagery and wording.

The campaign covers both the antenatal and post natal periods and highlights what local support is available and provides a guide to successful breastfeeding when out and about, including a list of venues where breast feeders can be assured a warm welcome. Campaign materials include posters, leaflets, an extensive website and local radio, newspapers and TV campaigns in GP surgeries.

The campaign has led to close working with neighbouring PCTs on improving breastfeeding rates and the implementation of Breast Friendly schemes across the region.

More details can be found at: www.amazingbreastmilk.nhs.uk

breast milk ...it's amazing!

It gives me the best start in life



Breastfeeding is best for mum and me! It protects me from lots of illnesses long after I've stopped breastfeeding. It's good for you too mum – it helps you lose weight quicker and it's a lovely way to get closer to each other.

For information visit www.amazingbreastmilk.nhs.uk
National Breastfeeding Helpline: 0300 100 0212

NHS Knowlsey, Liverpool Primary Care Trust, NHS Sefton and NHS Wirral, working together. Calls will be charged at 5p per minute from BT lines plus a 3p call set up charge from BT residential lines. Hobbies and other providers' charges may vary.



ENABLE ALL CHILDREN, YOUNG PEOPLE AND ADULTS TO MAXIMISE THEIR CAPABILITIES AND HAVE CONTROL OVER THEIR LIVES

Marmot Policy Objective B

In addition to investment in the early years in Sefton, we need to make a sustained commitment to children and young people through the years of education. It is important we create the conditions that enable all children and young people in Sefton to develop skills for life and empower them to be able to lead healthy lives.

Stopping young people from starting smoking and to support them to quit: The "Did you Know?" campaign

Aim of Project

Increase the number of 14-17 year old male quitters using stop smoking services

Target Population

Young people in Sefton.

The "Did you know" campaign was targeted at 14-17 year old males.

Findings

100 people in Sefton

Achievements and Outcomes

22% of 14-17 year olds in Sefton smoke (Trading Standards, 2009).

Young males from the more deprived areas in Sefton tend to want to quit but are the least likely group to use a stop smoking service.

70% of 16-24 year olds in the most deprived wards in Sefton want to quit (Sefton's Lifestyle Survey, 2007).

So a social norms campaign was used to target this age group with the aim

of increasing the numbers using support services and leading to successful quits.

Focus groups were conducted and the results suggested using the line 'did you know... pass it on!' Which led to:

- Did you know 78% of young people in Sefton don't smoke? Pass it on;
- Did you know 70% of young people who smoke in Sefton want to stop? Pass it on.

The message was promoted at a range of venues to reinforce the message that smoking is not the norm among young people.

Another outcome of the focus groups was the developing of a Facebook page promoting Sefton SUPPORT and Health Promotion activity. The participants in the focus group used Facebook regularly and wanted to see information on it. The page has 38 'likes' and numerous hits range from 427 (oldest post) to 122 (newest post) and this is increasing at a steady pace.

Did you know?

70%

of smokers in Sefton want to quit!

More than 3,000 people quit with SUPPORT, Sefton's local NHS Stop Smoking Service last year. **Pass it on!**

Text SUPPORT to 80039 with your name and full postcode or call 0300 100 1000
www.facebook.com/seftonsupport



Sefton Area Parent Forum - Consultation on Southport Children's Service Hub

Aim of Project

Alongside the Children's Trust strategic partners (including NHS Sefton), to enable local parents and carers to be key decision makers and to shape the development, delivery and commissioning of services for children, young people and families.

Target Population

Sefton residents who are parents, or grandparents of 0-18 year olds up to 25 if their children have special needs) can be members of the Sefton Area Parent Forums. The Forums use a representative model and parents attend as representatives of all parents from their linked setting, e.g. Children's Centre, school, voluntary group, nursery. There are between 20-30 members who attend each of the Area Forums and the numbers are increasing and their sphere of influence expanding.

Partners

NHS Sefton, Sefton CVS, Children's Centres, schools, voluntary sector groups, Sefton Council.

Achievement and Outcomes

In January 2011, NHS Sefton facilitated a consultation workshop at the North Area Parent Forum in order to capture the views of local parents regarding children's health services available in the North of the borough and how these could be made more effective.

This consultation enabled Area Parent representatives to shape how services could best be provided to meet local need. The consultation, alongside other research and consultation with clinicians, informed the development of the new Children's Service Health Hub in Southport. The new facility brings specialist services together in one place in central Southport, making it easier for health professionals to work better together and to provide seamless care.

Comments from the North Area Forum parents:



This is just what we need in

Southport and

it's great to know that the hub is

taking shape; we've needed a centre

like this for a long time



Sarah Aldwinkle



I don't drive so it'll be much easier to bring my son and daughter here for their appointments at the asthma clinic rather than Ormskirk Hospital.



Damien Foster,
glad that the children's outpatient clinics will be moving to the hub



CREATE FAIR EMPLOYMENT AND GOOD WORK FOR ALL

Marmot Policy Objective C

In line with national trends, unemployment has increased in Sefton in recent years. Those living within the more deprived areas of Sefton are at greater risk of being unemployed or in low paid, poor quality jobs.

Whilst good quality employment contributes to an individual's health and wellbeing, unemployment or being in poor quality employment is linked to poor physical and mental health.

Those who are unemployed, in particular the long term unemployed, are at increased risk of suffering from long term health conditions, including cardiovascular disease and mental health problems.

Increasing skills and getting people into good work that is sustainable and secure is crucial to improving health and wellbeing in Sefton.

A large number of people in Sefton are employed in the Public Sector and therefore Sefton must attract private sector investment to increase the range of future employment opportunities within the area.

May Logan Healthy Living Centre Health Trainer & Worklessness Project

Aim of Project

The Health Trainer service at the May Logan Healthy Living Centre offers tailored advice, motivation and practical support to individuals currently not in employment, who want to adopt healthier lifestyles.

European Social Funding has been obtained as part of Sefton MBC Pathfinder enabling programme and match-funded by NHS Sefton. Strong links have been made between the Health Trainers and Sefton@Work to ensure referrals between both services. As the Health Trainers are based at the May Logan Healthy Living Centre, they are able to refer to other services at the centre and are in an ideal location for referrals to other local agencies.

The service has already worked with a range of people, including those who have been unemployed for up to 42 years. Health priorities that clients want to address include:

diet (36%), physical activity (22%) and alcohol (12%). Clients often have more than one issue that they would like to address and the Health Trainers help with this and provide focus and motivation, along with support of a variety of other services, such as weight management courses, physical activity, smoking cessation, cooking on a budget, and courses in English, Maths and Computing. Clients have been supported to get more training, get involved in volunteering and obtain work placements as well as employment.

Target Population

People predominantly from the Linacre/District wards (population with the highest rate of unemployment) who are currently not in employment.

Partners

Sefton Council, NHS Sefton and May Logan Healthy Living Centre.

Achievements and Outcomes

The Health Trainer service at the May Logan Healthy Living Centre offers tailored advice, motivation and practical support to individuals currently not in employment who want to adopt healthier lifestyles. The current project builds on the success of the pilot initiated by Heart of Mersey Partnerships.



The Active Workforce Programme

Aim of Project

The Active Workforce Programme is an award-winning initiative designed to improve the health and wellbeing of employees. The programme encourages healthy lifestyles by promoting a wide range of physical activity, healthy eating and other health improvement opportunities. Initially developed in 2006, the success of the programme has been demonstrated through significant improvement in health, a reduction in sickness absence and an improvement in motivation and productivity.

Target Population

Employees of 11 organisations in Sefton

NHS Sefton, Sefton Council, One Vision Housing, Sefton CVS, Aintree University Hospitals NHS Foundation Trust; Shop Direct Financial Services Limited, Arvato, Mersey Care NHS Trust and Capita Symonds.

Achievement and Outcomes

The following case study highlights the impact that Active Workforce has made on one of its members:

Kathryn Ward, aged 26 years, works at Magdalen House in Bootle for Landscape Development.

What exercise did you do at school?

I did PE lessons and they mostly consisted of teachers shouting at us in the sports hall.

Now?

I started exercising 2 years ago. The reason I started is because I wasn't happy with how I looked and thought I was getting bigger. It is only in the last 6 months I decided to put my all into it. On Mondays I attend a spinning class, Tuesdays I go for a run, Wednesdays I do a circuits class or go on the lunchtime walk, Thursdays a group of us go for a run, Fridays I do a core conditioning class; the weekends vary as I sometimes go running or mountain climbing. I have lost 2 stone in weight since September. Although I have always been outgoing, my inner confidence has certainly grown since increasing my activity.

I really never thought I would do all this; a lot of the exercises I do are classes and sessions provided by Active Workforce so they fit around my working day. I now really enjoy running on my own to work-off a bad mood and with others if I need a push to go that extra distance. One good measurement I use is my first Active Workforce 5K challenge – I completed the distance in 47 minutes but the other day I did a 5K in 28 minutes, which I am very proud of. My plan now is to complete a marathon in October 2011.



Although I have always been outgoing, my inner confidence has certainly grown since increasing my activity.



Kathryn Ward

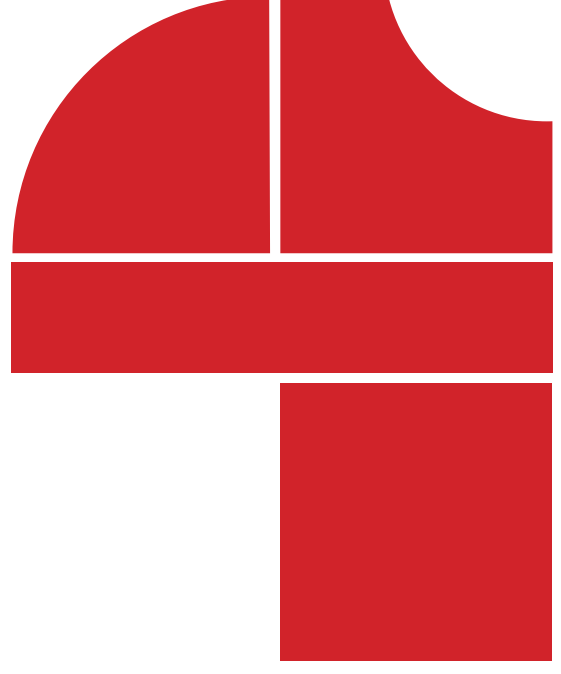
ENSURE HEALTHY STANDARD OF LIVING FOR ALL

Marmot Policy Objective D

For many people in Sefton, their income plus benefits is inadequate to support a healthy life. Insufficient income is associated with poor long term physical and mental health.

Addressing health inequalities is a vital step to achieving a healthy standard of living. Through recognising the different levels of need for people in different circumstances and implementing relevant local action, the standard of living for many can be improved in Sefton.

For example, the health and wellbeing of people in Sefton can be improved by supporting all households to heat their homes adequately whilst conserving energy and money.



Citizens Advice Bureau outreach service in GP practices

Aim of Project

To provide Citizens Advice Bureau (CAB) welfare advice service in GP practices in Sefton

Target Population

Adults in Sefton, especially those living in areas of highest deprivation

Partners

Northern Sefton CAB, GP Practices

Achievement and Outcomes

Citizens Advice Bureau services in GP practices help to ensure people are receiving their full benefit entitlement, bring their debts under control and provide advice on legal matters, housing, and employment. A recent research study by John Moores University has demonstrated that this service has led to a reduction in GP consultation time, reduction in prescribing for mental illness and led to more appropriate referral to mental health services.

"The client was referred to me by his doctor. The client was self employed, working every hour that he could. He had a dependent wife and two children, and was trying to keep the house from being repossessed and keeping creditors at bay."
 "A realistic budget was worked out and a long term debt strategy discussed. His creditors were all contacted and holding letters sent out to stop an escalation of the problem."

The family income was maximized by making a claim for working tax credits and council tax benefit. The specialist money adviser was able to go to court with him and the house was safe, subject to a monthly repayment arrangement.

The client has reported that the worry he had been enduring for so long had been lifted and he was on the road to recovery in both economic and health terms – CAB worker

"Patients feel safe and confident accessing the CAB service within our surgery. They are a valuable asset to our community. People are often unwell because they lack easy access to basic information about their rights. In addition, having CAB within our surgery has allowed reception staff to directly signpost those in need of support".

Dr Stephen Fraser,

SEAFORTH VILLAGE PRACTICE



Fuel Poverty Programme

Aim of Project

Reducing the number of poorly heated homes in Sefton to have an impact on avoidable winter deaths

Target Population

300 households – approx 500 service users

Partners

NHS Sefton, Sefton Council, Energy Projects Plus and many local organisations as and when needed

Achievement and Outcomes

Ms C is in her late 70s and suffers from asthma, osteoarthritis, high blood pressure and diabetes. She has also had several falls. She owns her own property and is the main carer for her 55 year old niece, who has learning difficulties. The conditions in which Ms C and her niece had been living were unknown to other family members, until Ms C was admitted to hospital after a particularly bad fall. The hospital would not discharge Ms C due to the poor condition of her home: therefore, Ms C and her niece had to stay with her brother until the property was improved (this was not ideal as her brother was a frail elderly man).

Ms C's family contacted the Energy Team and a home visit was arranged by an Affordable Warmth Worker (AWW). The AWW arranged Gas Central Heating (GCH) to be installed and

money was raised through five funding streams and a small client contribution (they had previously relied on plug-in electric heaters that didn't heat the property sufficiently and were extremely expensive to run). Loft Insulation was also funded through a local funding stream (£145 per annum saving on energy bills).

A referral was made to the Department of Work and Pensions and Ms C was awarded a high rate Attendance Allowance (£3,827 a year) and a referral was made to Sefton Council's Environmental Protection Team who arranged a Home Repair Assistance Loan to replace the rotting windows at the rear of the property.

Ms C and her niece returned to a warm, healthy and energy efficient home. Not only have they noticed an improvement in their health (as many of their health conditions were exacerbated by the cold living conditions) but they are also no longer struggling financially, thanks to the energy savings made in their home and the additional benefits awarded.



CREATE AND DEVELOP HEALTHY AND SUSTAINABLE PLACES AND COMMUNITIES

Marmot Policy Objective E

The communities which we are part of, are important for our physical and mental health. Living in poor housing, with a lack of access to green spaces has a negative impact on physical and mental health.

Having strong social networks and being actively involved in the community can have positive health benefits. In order to improve health and wellbeing in Sefton, it is vital people live in healthy communities and feel connected and are able to access services to promote and improve their health.

Brighter Living Partnership – Fruit & Vegetable Co-operative

Aim of Project

To improve access to affordable and good quality fruit and vegetables

Target Population

The service is open to all, with a focus to engage people who may not have a healthy diet. The service is promoted to families and older people in particular.

The co-operatives currently run as follows:

Tuesdays, (12 - 3.30pm)
Stevens Community Centre,
111 Ard Road

Wednesdays, (11am – 2pm)
Support Centre for Health
and Wellbeing, Hoghton Street

Fridays, (11am – 3.30pm)
Ainsdale Centre for Health
and Wellbeing, Sanbrook Road

In addition to the Brighter Living Partnership Co-ops, there are other Fruit and Vegetable Co-ops in the borough, including Netherton Feelgood factory and Goddard Hall, Bootle.

Partners

Children's Centres, Schools,
NHS Sefton, local community centres

Achievement and Outcomes

Glenda Stevens is a regular user of the fruit and vegetable co-operative in Southport. She was introduced to the project whilst she was a service user of the 'Promoting Parents Scheme'.

Glenda has a fruit and vegetable bag delivered to her home each week since November 2010. Glenda has found this to be a huge help in achieving a healthy diet for her family and helps aid their achievement of the 5-A-Day target.

Glenda has commented that her children love to come home from school to see what is in their 'goody bag' every Thursday and she feels she has become a more creative cook, using fruits and vegetables which she would not have normally bought but says she enjoys experimenting with now.

The other advantage of the fruit and veg co-ops is the "weaning bags" – Glenda says that she will be making use of this service to support her in introducing her baby to different tastes and textures of fruit and vegetables.

In addition to the health benefit of the project, Glenda's work through the 'Promoting Parents' project has meant she is now in full time education; she was unemployed when she first started on the project but now works as a Breast Start Advisor; Glenda passes the message on about the fruit and veg co-ops to all the mums and families she is in contact with.



Getting the message across: Looking Local

Aim of Project

NHS Sefton's Looking Local service - an interactive information and communication channel 539

Target Population

The service is primarily aimed at residents who do not have home internet access. In areas of greatest inequality this is over 75% of homes.

Partners

Sefton Council, voluntary organisations Sefton, Merseyside Fire and Rescue Service, Job Centre Plus and Merseytravel

Achievement and Outcomes

Looking Local provides health information to anyone with Sky, Virgin Media or other interactive digital TV services. The site was developed to overcome the very low levels of internet access in some parts of Sefton.

Florence Collins, Project Support Officer for Looking Local, said: "People in those parts of the borough with low internet access are also less likely to be aware of the many free health services available to them. This is why it's important that information is available in other ways, and having a TV information site means we can reach a lot more people."

Looking Local allows users to find out about their NHS services and the local support available to help them live a healthy lifestyle. Many people can also book GP appointments through their TV. Working with Sefton Council, Merseyside Fire & Rescue Service and Jobcentre Plus means that people get more than just health information when they use the site. Looking Local has had over 100,000 hits to date.

Also, in partnership with specialists such as the British Lung Foundation, the content has been specifically developed for people with long term conditions, such as respiratory disease, heart disease or diabetes.

NHS Sefton is the first PCT in the country to develop this service. Looking Local, has been shortlisted in the Health Service Journal's Efficiency Awards.

Where to find Looking Local:

- On Sky, go to channel 539 and press the 'red' button.
- On Virgin Media, press 'interactive' then select 'news & info,' 'Looking Local.'
- Online or on a web-enabled phone: www.lookinglocal.gov.uk/nhssefton
- A free app can be downloaded for Android and iPhone mobile phones



STRENGTHEN THE ROLE AND IMPACT OF ILL HEALTH PREVENTION

Marmot Policy Objective F

As highlighted in the section on Mortality and Morbidity, the main causes of mortality and ill health in Sefton are cardiovascular disease, cancer, respiratory disease and mental health problems. These conditions are strongly related to health behaviours such as smoking, misuse of alcohol and unhealthy eating habits.



Aim of Project

Early identification of those at risk of developing heart and other related diseases

Target Population

Everyone between the ages of 40 and 74 who has not been diagnosed with cardiovascular disease will be invited for a check once every five years. Those at highest risk will be offered a check each year. The number eligible to participate in Sefton is approximately 85,000 over five years.

Partners

In 2010/11 all 55 General Practices in Sefton agreed to identify and invite eligible people for health checks. Health checks were also offered in 14 local pharmacies and in local workplaces. Health checks were also offered in some local Pubs and to women on probation.

Achievement and Outcomes

In Sefton, we commenced by identifying those patients likely to be at highest risk. More than 75% of the 9000 people invited during 2010/11 took up the invitation and had a check. During the health check, each person received an individualised assessment of risk of developing heart disease, type 2 diabetes, kidney disease and stroke. Each person was given the opportunity to discuss ways to reduce cardiovascular risk and to stay healthy.

It is estimated that in each year of the first five years of implementation, nearly 800 additional people will complete a weight loss programme, 450 additional people will be taking statins, over 100 additional people will be diagnosed with diabetes, 300 people will be taking anti-hypertensive drugs and an additional 300 people will be diagnosed with chronic kidney disease.

Local health professionals report that people have benefited from having the check. There is the example of a patient who had not been to see his GP for over 15 years and was found to have peripheral vascular disease and was referred immediately for treatment; this may have saved his life.

The roll out of the NHS health checks programme will continue in 2011/12 and it is expected that 15,000 people will be offered a check.

Aim of Project

Improve the quality of care in primary care and reduce health inequalities

Target Population

All members of primary care teams. All people registered with a GP in Sefton

Partners

General Practices in Sefton

Achievement and Outcomes

By pulling many existing sources of practice level data together in one place, the scorecard allows practices to benchmark the quality of service they provide against national and local comparators.

The scorecard began as a paper-based tool, but, following feedback from users, it has now been developed as an online tool. This gives the scorecard greater functionality and flexibility.

Practices can view the quality of the services they provide and assess themselves against their peers.

"Sefton's GP Scorecard is an excellent resource that aims to raise the quality of care of primary care for patients and narrow the health inequalities that exist, by raising the bar for all practices. It has been developed in conjunction with primary care colleagues by working closely with PCT intelligence, public health and governance staff and has evolved from a paper to a web-based tool"

Dr. Leonard, GP
ROE LANE, SURGERY



Money to Burn On Street Activity

Aim of Project

The 'Money to Burn' social marketing project's objectives were to raise awareness of the NHS stop smoking service and to increase the number of people contacting the Healthy Sefton service to arrange an appointment with a stop smoking advisor.

The ultimate goal of this activity was to convert awareness into action – by persuading people to call the Healthy Sefton number and then go on to quit smoking.

Target Population

'Money to Burn' was specifically targeted at young families and older people.

Facilitators

Dr roster Intelligence Unit,
Imperial College, London

Achievement and Outcomes

Phase One comprised seventeen days of on-street activity in October with four trained ambassadors, sited in locations where our target audience worked or spent leisure time, actively approaching smokers and encouraging them to consider quitting smoking. 'Money to Burn' marketing and communications materials were used and the overall aim of the ambassadors was to signpost people to the Healthy Sefton service and to create a contact

database of smokers who were interested in quitting.

Phase Two comprised two rounds of targeted telemarketing calls, conducted in November 2010 and February 2011, to those people on the contact database. The calls sought to offer further encouragement to quit, to re-affirm the benefits of stopping smoking and to ensure people understood how to contact the Healthy Sefton service.

The targeted telemarketing was successful in speaking to 542 smokers (51% of the people spoken to as part of the on-street activity). Of these 542 people 83% (451 people) reported that they had, or would, contact the Healthy Sefton service.

Do you have money to burn?



**An average smoker spends over
£2,000 a year on their habit.**

**For free help and advice to quit, call SUPPORT
Seftons local NHS stop smoking service on**

0300 100 1000
www.gosmokefree.co.uk



Sefton

Obesity - Active Lifestyles

Aim of Project

The aim of the Active Lifestyles Service is to improve the health and wellbeing of clients who are overweight and obese or those who suffer from or at risk of developing cardiovascular disease. The core focus of the programme is improving physical health and mental wellbeing through an increase in physical activity, alongside weight management services, to reduce weight and encourage healthy eating.

Target Population

Approximately 4,300 clients per annum

Providers

Norfolk

The service deals with, on average, 80 different referring bodies but predominantly Primary Care, namely all 55 GP Surgeries, 4 local hospitals, cardiac and pulmonary units, community mental health teams, diabetes teams, Community Health Services etc

Achievements and Outcomes

Steven had a bit of a shock when getting a regular blood pressure check at his surgery and found he had hypertension. As a result and after a lot of encouragement from his GP (Dr. Tong, Blundellsands Surgery),

he decided a big change in his lifestyle was needed, which led to his referral to the Active Lifestyle Programme in September 2010. Steven was referred to the Active Lifestyle Programme where he was prescribed a gym-based exercise programme and attended the full 12 weeks of the Diets Don't Work programme.

"Diets Don't Work" has changed my life; the title of the programme says it all; Diets didn't work for me but lifestyle changes have. I lost 4 stone 10 pounds in weight and 10 inches off my waist, all in the space of 5 months. My new lifestyle of exercise and healthy food habits has made me look and feel well. I would recommend the Active Lifestyle programmes to anyone as it has helped me achieve my goals."

Steven Morgan

"I can't think of a better endorsement for active lifestyles than how well Steven has done; his health has benefited so much from the weight loss and increased exercise, his blood pressure has dropped considerably and we may be able to reduce and even stop his treatment. It shows just how effective a scheme like Active Lifestyles can be in the right individual. Well done!"

Dr. Tong, GP
BLUNDELLSANDS SURGERY



Alcohol Screening, Brief Intervention & Referral

Aim of Project

Slow down the current rate of increase in alcohol – specific hospital admissions in Sefton

Target Population

In the financial year 2009/2010, a total of 903 South Sefton residents were admitted to Aintree University Hospital Foundation Trust (AUHFT) with alcohol-specific illnesses. These individuals contributed to a total of 11 separate admissions. Out of this cohort of 903 patients, 47 patients will be targeted (those referred with the 9 practices with the highest number of admitted patients) and it is anticipated that 40% (188) will receive alcohol screening, brief intervention and/or referral.

Partners

South Sefton PBC, Sefton Alcohol Treatment and Intervention Nursing Service (SATINS)

Achievement and Outcomes

Adult patients identified as having been admitted into AUHFT within financial year 2009/10 with an alcohol-specific condition be sent up to 3 requests to attend the GP practice within a 3 month period to have their alcohol behaviours screened. At the screening appointment, the patient will be asked a series of questions using the evidence-based AUDIT screening tool. Should the screening identify the patient to be drinking at increasing risk levels, the practitioner will deliver a brief intervention. If the screening identifies the patient as scoring at higher risk levels, a referral will be made to the SATINS specialist alcohol service.

The issuing of three separate invitations will qualify for a payment of £10 to the GP surgery. Were the patient to attend an appointment for screening of their alcohol use, the delivery of appropriate advice, intervention or referral is awarded a further £5 payment per patient to the GP practice.

A projected success rate of 40% of patients (188) responding to an invitation to attend for screening is anticipated to be achieved. The National Treatment Agency evidence indicates that for every 8 people who receive advice, one will reduce drinking to lower risk levels (24 patients in total). The average number of admissions for each of these patients is calculated at 1.54 per individual, thus a reduction of 37 hospital admissions in the Sefton 39 score is projected.



Solid foundations: Building for the future LOOKING TO THE FUTURE

This year's annual report is being written during a period of significant change within the NHS and Public Health. The final chapter sets out how (currently!) the new world will look. Although the national picture is still emerging, here in Sefton, the public health team has been working in partnership with colleagues from the wider NHS, local authority and voluntary sector to respond to the challenges and opportunities that reforms present.

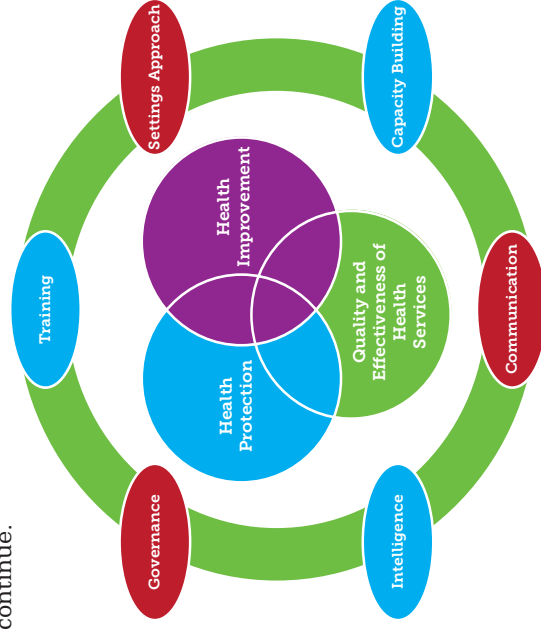
Public Health

Last year the, coalition government published its 'Healthy Lives Healthy People' White Paper which set out its long term vision for the future of public health in England. Following the listening exercise and the NHS future Forum recommendations, this vision has been reaffirmed in the recently published policy statement – Healthy Lives, Healthy People: Update and way forward.

The reformed public health system will see public health returning to local government. Local government will take a leadership role across the three domains of public health: health improvement, health protection and improving quality and effectiveness of health services. The Director of Public Health will be the officer charged with delivering the new public health functions within the local authority and will be the principal advisor on health to elected members and officials. Public health funding will be ring fenced so that the public health work programme can continue.

The Domains of Public Health

A Transition Group has been formed to integrate public health functions into the local authority. The Sefton Transition Group is already making good progress in responding to the challenges and opportunities these reforms present. In Sefton the Director of Public Health post has been a joint post between the NHS and local authority since 2006. The good relationships and partnerships that exist in Sefton mean that we will be well equipped to manage the transition and build for the future. During the transition period, PCTs across the country have formed clusters in order to maintain continuity until their dissolution in 2013. Sefton has joined with Halton and St Helens, Knowsley and Liverpool PCTs to form the Merseyside Cluster.



Public Health England

Public Health England (PHE) will bring together in one body the diverse range of public health expertise currently distributed across the health system. This includes the Health Protection Agency, Public Health Observatories, National Screening Committee and National Cancer Network. A core role of PHE will be to provide expert advice and intelligence in order to improve public health outcomes.

Health and Wellbeing Boards

Health and wellbeing will maximise opportunities for integration between IS, public health and social care promoting joint commissioning and improving improvements in the health and wellbeing of the local population. Health and Wellbeing Boards will provide the vehicle for local government to work in partnership with commissioning groups to develop comprehensive Joint Strategic Needs Assessments and robust joint health and wellbeing strategies. These documents will in turn set the local framework for commissioning of health care, social care and public health services. In Sefton, a shadow Health and Wellbeing Board has been set up and is part of the early implementation work. Members of the Health and Wellbeing Board include the Director of Public Health, the three Political Group Leaders on the Council, the Chief Executive of Sefton Metropolitan Borough Council, the

Strategic Director, Children's, School & Families, the Strategic Director, Social Care and Well Being, the Director of Adult Social Care (Commissions Links), the Chair of South Sefton GP Commissioning Confederation and the Chair of Southport & Formby GP Commissioning Consortium.

Clinical Commissioning Groups

Practice-based commissioning has been part of NHS policy for more than five years and the coalition Government's White Paper 'Equity and excellence: liberating the NHS' proposes to make GP-led organisations responsible for managing the majority of NHS commissioning budgets by April 2013. The proposals are to transfer commissioning responsibilities from PCITs to GP consortia and to other new NHS structures, such as the proposed NHS Commissioning Board, Public Health England and local authorities.

In Sefton, two GP Commissioning Consortia (GPCC) have been developed with the Primary Care Trust (PCT), one covering South Sefton and the other one covering Southport and Formby. The aims of GPCC are to involve primary care clinicians more in commissioning services and to commission healthcare to meet the requirements of the population. They also have to reduce inequalities in access to healthcare and healthcare outcomes. They work in partnership with primary care teams, secondary providers and the local authority to develop and implement locally agreed health and service strategies.

In partnership with the Health and Wellbeing Board and the local authority, they have a duty to produce a local Joint Strategic Needs Assessment and a local Health and Wellbeing Strategy for Sefton.

The two GPCC have each established a Board which includes locally elected members of local GPs, practice managers and nurses. This year, the two Boards have been involved in agreeing the business contracts with the main NHS Providers and have produced business plans for their own Boards. The Boards meet on a formal basis once a month and have elected Chairs and Vice-Chairs. The Boards are developing relationships with their constituent GP practices and primary care colleagues.

Public health has a key role to play in supporting the GP CC to take on their new roles and responsibilities.

A discussion paper has been produced for Cheshire and Merseyside Directors of Public Health on a potential framework for Public Health in relation to commissioning organisations including to GP CC. The framework includes three key elements:

1. Helping to create a strategic vision for commissioning decisions
2. Tactical commissioning intelligence for maximising health gain
3. Operational day to day public health input

Locally in Sefton, Public Health (PH) has identified a lead member of the senior PH team to work with both Boards to help the GP CC further their understanding of their PH role and their public health skills as well as how to improve health and reduce

health inequalities in their population. As a first step, a local Key Health Needs Report has been produced by the Public Health department for both South Sefton and Southport and Formby populations and the reports have been formally presented to the Boards. The reports are a high level status report and are intended to stimulate and inform discussion around commissioning priorities.

Public Health has a vital role to ensure the GPCC understand the PH functions they themselves will be required to undertake as well as brokering the relationship with new proposed structures for public health, locally and nationally. Public health has a key skill in developing partnerships across organisations and at this point in time can help the emerging GPCC to develop productive relationships across Sefton.

Future Updates

Further guidance related to the operational design and structure of public health in local government, the public health outcomes framework and public health funding is expected in the autumn.

Sefton is a special place with a good track record of partnership working. Good relationships exist in Sefton with trust and openness between key partners. Although challenges lie ahead, Sefton is well positioned to build on these solid foundations for the future.

NHS

Sefton

Sefton Council 



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Agenda Item 5

Report to: Cabinet

Report: 10th November 2011

Subject: Transformation Programme Update

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 2011/12.

Recommendation(s)

- a) Note progress to date - approved savings proposals, reviews and cessation of external funding

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			√

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.

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. A separate report Transformation Programme 2011- 2014 appears elsewhere on the agenda.

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What will it cost and how will it be financed?

FD1109 The Head of Corporate Finance and ICT has agreed 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.

(B) Capital Costs

This matter is considered in further detail in the Transformation Programme 2011-2014 report elsewhere on the agenda.

Implications:

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

Legal LD 469/11

There are no direct legal implications arising from the contents of this report. However in the course of each of the individual approved proposals to achieve the previously agreed savings detailed consideration should be given to both the legal, human rights 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 23 individuals formally at risk of redundancy as a result of service reorganisations and cessation of external funding.

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:

Previously reported

What consultations have taken place on the proposals and when?

Regular consultations have taken place with Strategic Directors, Director of Built Environment, Director of Street Scene, Director of Young People & Families, Director of Older People, Director of Corporate Support Services and Director of Commissioning, Head of Personnel, Head of Corporate Finance & ICT, Head of Legal Services and Trade Unions.

Are there any other options available for consideration?

None

Implementation Date for the Decision

Not applicable

Contact Officers: Jan McMahon, Head of Transformation Services

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Email: jan.mcmahon@sefton.gov.uk

Mike Martin, Strategic Finance Manager

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Email: mike.martin@sefton.gov.uk

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

Report to Cabinet 18 August 2011: Transformation Programme 2011- 2014

Transformation Update Report September 2011

Report to Cabinet 13 October 2011: Transformation Programme Update

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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 At its meeting on 13th October 2011 Cabinet approved the funding of known budget shortfalls in 2011/12 totalling £1,494,431 as detailed in Annex A from the Budget Pressures Reserve established for this purpose. Members should note that this requirement has now been reduced by £104,816. The savings related to this shortfall will be achieved in 2012/13. Members are asked to note the progress outlined in Annex A.
- 1.4 A separate report, Transformation Programme 2011- 2014, appears elsewhere on the agenda.

2. Transformation Programme Update

- 2.1 Annex A identifies current progress in terms of approved savings proposals, service reviews and cessation of external funding.

Achieved (Reported to October 2011)	£37,116,251
Achieved to 1 November 2011	£680,816
Total Savings Achieved to date (A1)	£37,797,067
Progress is satisfactory (Green) (A2)	£2,302,600
Review scheduled/risk of saving not being fully achieved (Amber) (A3)	£2,423,000
Known shortfalls/significant risk of saving not being fully achieved (Red) (A4)	£1,389,615
Total Approved Savings	£43,912,282

- 2.2 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)	231
Expressions of Interest declined since September 2009 – this includes potential bumps	45
Expressions of Interest decision pending	30
Expressions of Interest withdrawn by employee	35

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Year	Savings £000
2010/2011	2,526
2011/2012	3,355
2012/2013	724
Total	6,605

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.

2.5 The Council continues to offer a range of support measures for employees who have or are being placed “at risk” of redundancy.

3. Conclusion

3.1 Members will be fully aware that we are on track to achieve the vast majority of the £44m savings that were approved in March.

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Annex A

Approved Savings Proposals Tracking Report November 2011

A1 - 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
	Reported to Cabinet 18 August 2011		£425,000
	Reported to Cabinet 15 September 2011		£3,245,431
Total savings achieved reported previously			£37,116,251
	Management & Support Costs - 25% reduction	Margaret Carney	£327,000
	Changes to Terms & Conditions	Mark Dale	£110,000
Tier 2	Tourism	Alan Lunt	£60,000
Tier 2	Affordable Warmth	Alan Lunt	£49,000
	E&TS – Pest Control	Alan Lunt	£30,000
CS M4(a)	Cease 14-19 Partnership	Peter Morgan	£104,816
Total Savings Achieved to Date			£37,797,067

A2 - Progress is Satisfactory (e.g. contractual notice periods are being observed)

Ref.	Description	Owner	Value 2011/12	Progress	Comment
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.
	Cease Merseyside Policy Unit / North-West Policy Forum	Graham Bayliss	£75,600	Green	Notice period
	Review of Specialist Transport - Reduction in overspend.	Jim Black		Green	New ICT system for optimising transport provision introduced, new bus & taxi contract established, revised staffing arrangements implemented. Further details and financial implications to be reported separately.
CM64	Building Cleaning - Raise income target by £100k	Jim Black	£100,000	Green	Based on current projections the revised income target will be achieved.
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
	Review of Emergency Planning	Mike Fogg	£58,000	Green	Review now complete and implementation is underway
	Neighbourhoods Review	Graham Bayliss	£859,000	Green	Review complete saving will be achieved from current year underspend.
	Strategic Review of Sure Start Children's Centres	Peter Morgan	£900,000	Green	Review progressing well; community consultation process in progress
	Total		£2,302,600		

A3 - 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	£633,000	Amber	The completion of the Senior Management Review (third tier) and additional VR/VERs has helped to reduce the amount of saving at risk. A number of other reviews are currently being undertaken, which should provide further savings.
	arvato contract	Mike Fogg	£70,000	Amber	Part achieved £360k Negotiations ongoing. Full saving £430k.
	Review of Learning & Development	Mike Fogg	£65,000	Amber	Part achieved, review is ongoing.
6	Inflation (withhold inflation elements to all providers)	Robina Critchley	£1,513,000	Amber	Judicial Review has now taken place and we await judge's decision to be published 9 November 2011.
	Capita contract	Bill Milburn	£112,000	Amber	Negotiations ongoing
CE5	Rationalisation of Point of Sale & Bookings Software	Linda Price	£30,000	Amber	Review will commence this month. The rationalisation of other software and printing has exceeded its target and will meet the 2011/12 slippage in this project
	Total		£2,423,000		

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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. The income target for 2012/13 will be determined by demand.
CS M4(a)	Cease 14-19 Partnership	Peter Morgan	£98,615	Red	Consultation and notice periods observed, this figure now confirmed as unachievable 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	£21,000	Red	Delayed owing to negotiations with MerseyTravel. Full Saving will be £18,000 additional savings being sought.
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.
3	Income Increase (Disability Related Expenditure: increase % of people's disposable income from 65% to 80%)	Robina Critchley	£52,000	Red	Shortfall identified to Cabinet 3 rd March 2011 £52k
	Total		£1,389,615		
	Grand Total of Savings		£43,912,282		

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A5 - 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		

A6 - 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
CS – M5	Community Learning - Funding Reducing	Peter Morgan
PE1	Planning for Play Early Years Team - £175,313 - Temporary reduction in staffing hours in place, for £38k, wider review of Early Years to be progressed to find this element permanently.	Peter Morgan
External Funding	Youth Offending Service N/A There is a reduction of to 20% in external YJB funding	Colin Pettigrew
	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

A7 - 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
Council

Date of Meeting: 10 November 2011
24 November 2011

Subject: Treasury Management 2011/12 – Half year 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. Report presented due to changes in the financial markets which may have a revenue impact.

Exempt/Confidential No

Purpose/Summary

To inform members of Treasury Management Activities undertaken in the first half of 2011/12, and of the recent activity of credit rating agencies. An amendment of the credit ratings as approved by Council on 3 March 2011 is also presented.

Recommendation(s)

1. The Treasury Management update for the first half year of 2011/12 be noted;
2. Recommend to Council the following change to The Treasury Management Strategy Document approved by Council on 3 March 2011. The report stated that our credit criteria for investing with institutions would include those that had a “Fitch rating of F1+ AA-, with an individual rating of C, and support rating of minimum 2” (paragraph 2.8.9). This is to be amended to “Fitch rating F1 A-“.

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:

To ensure that Cabinet are fully apprised of treasury activity undertaken in the first quarter 2011/12, and approve the proposed actions in relation to the investment of temporarily available cash resources, following the recent credit rating agencies downgrading of a number of UK banks.

What will it cost and how will it be financed?

(A) Revenue Costs

The report recommendations seek to mitigate against a falling investment income.

(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?

The Head of Corporate Legal Services has been consulted on the content of this report. (LD 457/11)

Are there any other options available for consideration?

None.

Implementation Date for the Decision

Immediately following the Committee Meeting.

Contact Officer: Margaret Rawding Head of Finance and ICT

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Background Papers:

Treasury Management advisory reports.

TREASURY MANAGEMENT ACTIVITY HALF YEAR REPORT 2011/12

1. BACKGROUND

1.1 *Glossary of terms*

TMSS	Treasury Management Strategy Statement
CPI	Consumer Price Index
MPC	Monetary Policy Committee
ILO	International Labour Organisation
EFSF	European Financial Stability Facility
PWLB	Public Works Loan Board
CFR	Capital Financing requirement

1.2 The Treasury Management Policy and Strategy document for 2011/12 (approved by Council on 3 March 2011) included a requirement for a mid-year review of treasury management activities in 2011/12. The strategy document also requires a quarterly update on treasury management activity. The second quarter report will be included as part of this mid-year review and no separate quarterly report will be issued for the second quarter to September 2011.

1.3 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 3 March 2011.

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-year Review Report and an Annual Report covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Audit & Governance Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first six months of 2011/12

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- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- A review of the Council's investment portfolio for 2011/12
- A review of interest earned
- A review of the Council's borrowing strategy for 2011/12
- A review of any debt rescheduling undertaken during 2011/12
- A review of compliance with Treasury and Prudential Limits for 2011/12

2 ECONOMIC UPDATE

2.1 **Growth:** Global growth prospects deteriorated considerably over the six months to September, moving from an expectation of modest expansion to the risk of a double-dip recession. Quarter 1 of 2011 Gross Domestic Product in the UK was 0.5% but was just 0.2% in Quarter 2. Economies such as Germany's, which were hitherto seemingly strong, have also now begun to see reductions, with growth registering 0.1% in Quarter 2.

Inflation: Inflation remained stubbornly high. Annual CPI for September was 5.2%; CPI had remained above MPC's 3% upper limit for 21 consecutive months and required the Bank of England's Governor to write a further open letter to the Chancellor. The Bank believed the elevated rate of inflation reflected the temporary impact of several factors: the increase in the VAT rate to 20%, past increases in global energy prices and import prices.

Employment / Consumer Confidence: Weakness has persisted in the labour market. Job creation was unable to absorb the 90,000 quarterly growth in jobseekers, particularly those in the 16-20 age bracket. Unemployment on the International Labour Organisation (ILO) measure rose to 7.9%. Earnings growth is only 2.9%, with scarce availability of credit, stagnant house prices, all combined to lower disposable income, squeeze household spending power and leave consumer confidence fragile.

Central bankers' policies were driven by the low growth outlook rather than the upward trend in inflation. The Bank of England's Inflation Report downgraded the growth forecast, as it acknowledged CPI of 5% with an expectant reduction in inflation to 2% target over the medium-term. The UK's strategy of combining loose monetary policy (the Bank Rate had remained at 0.5% for 2½ years and Quantitative Easing at £200bn, although a further £75bn has recently been announced) with tight fiscal policy supported the rebalancing of the economy and also commanded support in the markets.

The impasse to resolve the US debt ceiling issue has identified a lack of both political governance and measures to address the high debt burden (put off until after the 2012 presidential election). This has ultimately led Standard & Poor's to downgrading the US Sovereign from AAA to AA+. The country's weak economic and fiscal situation and an unemployment rate of 9.1% left the Federal Reserve little option but to commit to exceptionally low interest rates until mid 2013.

The European sovereign debt crisis has deepened. The agreement in July to address Greece's fiscal problems and broaden the mandate for the European

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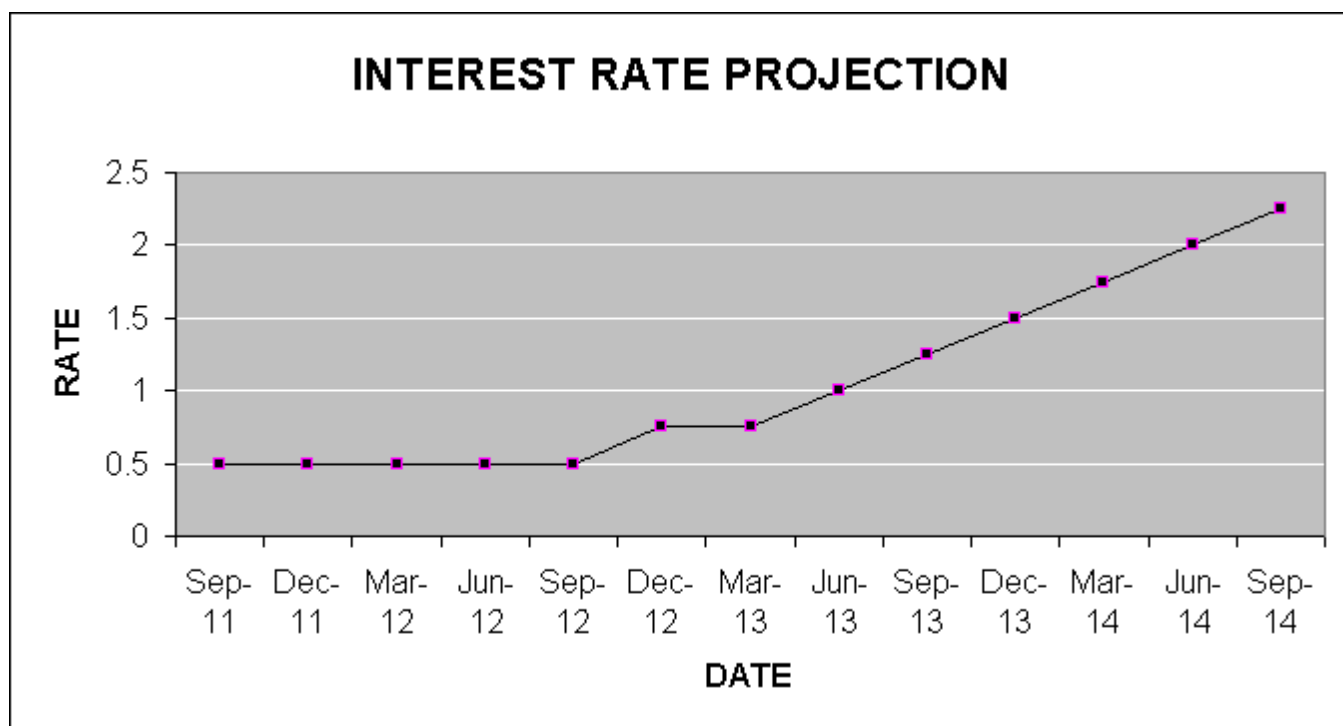
Financial Stability Facility (EFSF) only bought time for the Eurozone as market pressure increased on Italy and Spain, but did little to address the issue of overburdened sovereign balance sheets.

The European Banking Authority released the results of the second of its stress tests in July. Eight banks (two Greek, one Austrian and five small domestic Spanish banks) out of ninety one banks failed the tests. All of the UK and non-UK banks tested by the EBA and which are on the Council's lending list met the 'stressed' Core Tier 1 Ratio of 5%, none were adjudged as 'near-failed' (i.e. having ratios between 5% and 6%).

Gilt yields and money market rates: The economic uncertainty resulted in analysts postponing the likelihood of an increase in the UK Bank Rate until mid 2012. Gilts were considered a safe haven and benefited from market turmoil. Gilt yields fell to their lowest levels in five years. Five year gilt yields fell to 1.25%, ten year yields to 2.2% and twenty year yields to 3.05%.

PWLB borrowing rates fell commensurately (the Board maintained the +0.90% margin above the equivalent gilt yield for new borrowing).

- 2.2 **AAA rating** – prior to the general election, credit rating agencies had been issuing repeated warnings that unless there was a major fiscal contraction, then the AAA sovereign rating was at significant risk of being downgraded. Sterling was also under major pressure during the first half of the year. However, after the Chancellor's budget on 22 June, Sterling has strengthened against the US dollar and confidence has returned that the UK will retain its AAA rating. In addition, international investors now view UK government gilts as being a safe haven from EU government debt. The consequent increase in demand for gilts has helped to add downward pressure on gilt yields and PWLB rates.
- 2.3 The Council's Treasury Management Consultants, Arlingclose, project bank base interest rates to be as follows:



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3 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UPDATE

The Treasury Management Strategy Statement (TMSS) for 2011/12 was approved by this Council on 3 March 2011. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of capital
- Liquidity

The Council will also aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (maximum investment period of 3 or 6 months as advised by Arlingclose), and only invest with highly credit rated financial institutions, using Arlingclose's suggested creditworthiness approach, including sovereign credit rating and credit default swap (CDS) information. This is discussed further below.

A breakdown of the Council's investment portfolio is shown in Section 5 of this report.

Investments and borrowing during the first six months of the year have been in line with the strategy.

As outlined in Section 2 above, there is still uncertainty and volatility in the financial and banking market, both globally and in the UK. Against this background it is considered that the strategy approved on 3 March 2011 is still applicable in the current economic climate, subject to the issues raised in paragraph 10.

4 RISK APPETITE

4.1 The Council's current policy is that investments will only be held in banking institutions that hold a minimum Fitch rating of F1+ AA-, or Aaa/Mr1+ for money market funds. The ratings applied to investment grade institutions and the much riskier speculative grade institutions, as defined by Fitch, has been placed into a risk matrix – see Appendix B. The matrix defines institutions in terms of their Fitch rating, and grades them as follows:

- Low risk – score of 1 – 4
- Low to medium risk - score of 5 – 9
- Medium risk – score of 10 – 20
- High risk – score of 21 - 36

4.2 The matrix shows how the Council has set its risk appetite by being risk averse and putting security and liquidity before yield, by ensuring that it invests with institutions where the probability of default, and consequence of any default, is kept to a minimum. This is done by keeping within the confines of institutions rated

with a risk profile of 1 - 4. The matrix also shows where the Council's deposits are held in terms of the matrix as at 30 September 2011.

- 4.3 Recent turmoil in the world markets has resulted in Ratings Agencies downgrading the credit ratings of a number of sovereign states. Whilst the U.K. has not been affected by this, (it has retained a AAA rating), there has been widespread reduction in the credit ratings of U.K. banking institutions during October (discussed further in paragraph 10). The Independent Commission on Banking issued a report, which said investment banks should be ring-fenced from retail banks so investment banks could be allowed to fail. The credit rating agencies have seen this as the Government signalling that it is now more likely to allow smaller institutions to fail if they get into financial difficulty. The expectation is that the Government is likely to continue to provide support to systemically important institutions. The banks which fall within this definition have not been made clear.

Downgrades do not represent deterioration in the financial strength of the UK government or the banking system. However, the implications of this for Sefton are potentially significant. However, a saving proposal to achieve an additional £100,000 of investment income in 2012/13, may be at risk as a result of the decision to downgrade the credit rating of UK banks.

5 INVESTMENTS HELD

- 5.1 Investments held at the end of September 2011 comprise the following:

Immediate access deposits

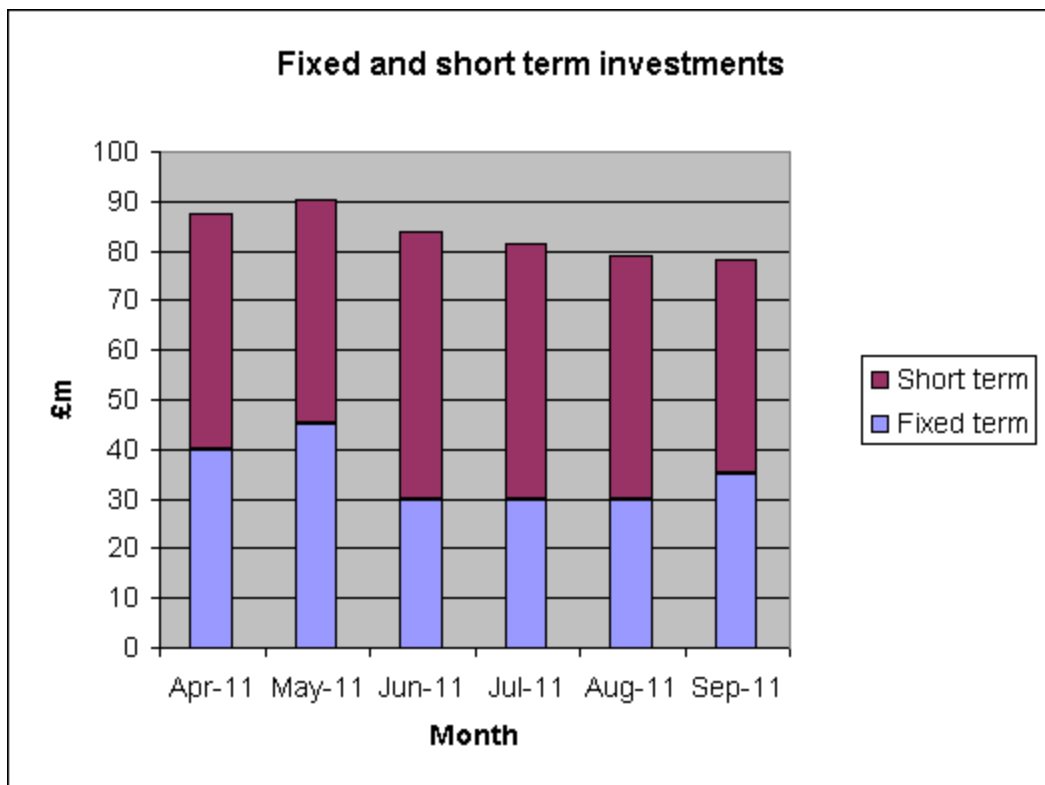
Institution	Deposit £m	Rate %	Maturity date	On current counterparty list?
Natwest	15.000	0.80	N/A	No
Blackrock MMF	9.060	0.58	N/A	Yes
Insight MMF	9.900	0.62	N/A	Yes
Goldman-Sachs MMF	9.070	0.6	N/A	Yes
Total	<u>43.030</u>			

Fixed term deposits

Santander	10.000	1.32	14/10/2011	No
Santander	5.000	1.35	22/12/2011	No
Barclays	5.000	1.20	30/03/2012	Yes
Lloyds	10.000	1.14	23/03/2012	No
Lloyds	5.000	2.65	27/07/2012	No
Total	<u>35.000</u>			
TOTAL	<u><u>78.030</u></u>			

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- 5.2 As can be seen, not all of the above organisations are on the **current** counterparty list as contained in Appendix A due to the recent reduction in credit ratings by Moody's and Fitch (see paragraph 10).
- 5.3 The maximum level of investment permitted in any one institution, or banking group, is currently £25m. Whilst the maximum should be retained, in case conditions change, a day to day operational maximum of £15m is currently being imposed. This will spread the risk of investments for the Council, but will have a small detrimental impact on the returns the Council will receive in the future.
- 5.3 The amount of cash held in fixed term deposits has recently increased in order to maximise investment income. In line with advice from Arlingclose, our overnight deposits with Money Market Funds (MMF's) are maintained at approximately equal levels between each institution.
- 5.4 The ratio of overnight deposits (i.e. short term) to fixed term investments is illustrated below:



The standard lending list is contained within appendix A

6 INTEREST EARNED

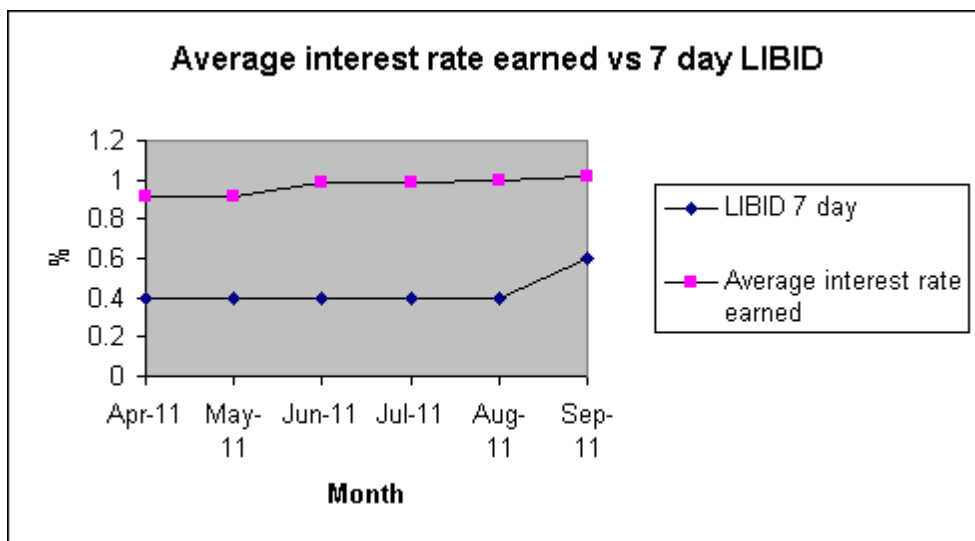
- 6.1 The actual performance of investments against the profiled budget for the period to 30 September is shown below:

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	Budget £'000s	Actual £'000s	Variance £'000s
To 30 September	354	397	43

- 6.2 The original budget of investment income for 2011/12 was £0.856m (which equated to an average interest rate of 0.819%), was based on investments in place at 1st April 2010.
- 6.3 The investment income achieved during the first half year is £0.354m, which equates to an average interest rate of 0.97%.

We have outperformed the 7 day LIBID average (standard measure of performance for local authorities) as follows:



7 BORROWING

The Council's Capital Financing Requirement (CFR) for 2011/12 is £224m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Due to the high cost of borrowing as against the low level of interest rates earned on investments, the Council had taken the decision to internally borrow and not taken on any new external borrowings this financial year.

The Council's current level of PWLB borrowing at September 2011 is £131.24m, which in comparison with the CFR gives a borrowing capacity of £92.76m. It is not anticipated that any borrowing will be undertaken during the remainder of this financial year.

8 DEBT RESCHEDULING

Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. During the first six months of the year,

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no debt rescheduling was undertaken. However, any future potential restructurings will be considered as they arise.

9 PRUDENTIAL INDICATOR MONITORING

- 9.1 Prudential indicators are an integral component of measuring how prudently a Council is acting with regard to its finances. They were introduced into all local authorities (by CIPFA) following the Local Government Act 2003. A number of measures/limits/parameters including capital financing, external debt, impact on council tax, and treasury management are set prior to the start of the year and are monitored on a monthly basis.
- 9.2 It should be noted that the Interest Rate Exposure Indicator has been exceeded on a number of occasions in the recent months:
- The limits for fixed rate interest rate exposure expressed as a percentage of net outstanding debt were set to remain between 250% and 150%.
 - The limits for variable rate interest rate exposure expressed as a percentage of net outstanding debt were set to remain between -50% and -150%.
- 9.4 The above indicators are there to prevent either too much investment in fixed or variable interest rate arrangements. This is to ensure a reasonable balance between fixed rate investments where cash is locked away, and variable rate investments that earn a lower rate of interest but give more immediate access to funds.
- 9.5 The variance in both of these indicators is due to the higher level of overnight deposits being held than originally envisaged earlier in the financial year. This is the same issue that arose in the last financial year. The Prudential Indicators were adjusted for 2011/12 in order to try and align the policy of retaining more temporarily available cash in short-term investments. However, the recent turmoil in the world / UK economic markets has meant that more short-term investments have been retained than anticipated. However, the breaching of these indicators is unlikely to continue over coming months, as the ratio of overnight to fixed term investments has reduced.
- 9.6 The breaching of these indicators has been caused by specific reasons identified which are not considered to be an indication of any inherent problems.

10 UK BANKS CREDIT RATINGS DOWNGRADE

- 10.1 Due to the recent turmoil in the European financial sector, the spotlight has fallen on exposure that UK banks have to those Eurozone countries that are felt to be at risk (Spain, Portugal, Ireland, and Italy). This has caused Fitch and Moody's to downgrade a number of UK financial institutions.
- 10.2 The Council's Treasury Management Policy and Strategy, as agreed by Cabinet on 3 March 2011, allowed investments with institutions contained on our treasury management consultants approved counterparty list, but that had a minimum

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credit rating with Fitch of F1+ (short term), AA- (long term) credit rating, and individual financial strength rating of the institution of C.

- 10.3 Fitch has recently downgraded number of institutions to F1 and A, and downgraded individual strength to C-, which is below the threshold contained in the Council's Treasury Management Policy and Strategy. The institutions downgraded are as follows:

RBS
Natwest
Lloyds
HBOS

- 10.4 Moody's has downgraded RBS, Natwest, and Nationwide to a level comparable to the F1 and A rating used by Fitch. Lloyds, HBOS, and Santander have been downgraded to a level comparable to the F1 and A+ rating used by Fitch.

The advice from Arlingclose is that for those institutions downgraded:

- No new investments to be undertaken
- Fixed term investments should not be broken
- Funds in call accounts should be recalled.

A number of authorities have already withdrawn substantial resources from such banks. Recent discussions with Arlingclose have identified that they are completing work on a strategy for local authorities for the 2012/13 financial year. Consideration has been given by them to a range of options which could allow investment in the banks that have been downgraded. This however, puts their current advice to local authorities in a potentially conflicting situation. The potential impact of all authorities doing this could result in a de-stabilising impact on those banks with a wider impact on the economy.

- 10.5 The current advice from Arlingclose is to amend this year's strategy to reflect the advice which will be given for 2012/13, if required, which is to reduce our credit rating requirement to F1 A-. This will allow the Council to use the institutions noted above. Although a maximum duration of 6 months is suggested by Arlingclose for such institutions, it is advised by them that only call accounts are used. This revision has been reflected within appendix A pending Council's approval. These deposits would be classed as non-specified deposits as they are not of the highest credit rating.

- 10.6 The Council's current exposure, as at 25/10/2011, to such institutions is as follows:

Nationwide	£5m	Fixed term to 04/04/2012
Santander	£5m	Fixed term to 22/12/2011
Santander	£10m	Fixed term to 16/01/2012
Lloyds	£10m	Fixed term to 23/03/2012
Lloyds	£5m	Fixed term to 27/07/2012
Natwest	£15m	Call account

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The deposit risk matrix has been updated in order to reflect the current situation (see appendix C).

- 10.7 It should be noted that Natwest is the Council's banker. Although it does not meet the minimum credit criteria of F1+ AA-, it will still be used for short term liquidity arrangements (overnight and weekend investments) and business continuity arrangements.
- 10.8 The level of systemic support given by the Government to these institutions has not been removed, and the main level of exposure of these banks is to Ireland, which is currently fairing best out of the troubled Eurozone economies. With regard to the Nationwide, Santander, and Lloyds investments, no action is proposed, as there is no immediate need to recall the monies in Arlingclose's advice. It is felt that our only exposure is to a Natwest overnight call account. Given that the NatWest are the Council's own bankers, as noted in 10.7, and more particularly, that the investment allows immediate access, the level of risk is considered to be low. Consequently, at this point in time, no action is being proposed to withdraw any monies from the "Call Account". Cabinet is asked to agree to this course of action.
- 10.9 The potential transfer of monies from the Call Account, poses the question as to where it can be invested. The Council's prudent approach means that there are limited investment opportunities in UK banks. One option is the investment in other Money Market Funds. Council Officers are currently looking at gaining access to new money market funds in order that the breadth of investment opportunities is as wide as possible, the 40% limit in non-specified investments is not breached, and that the £15m maximum investment in any one banking institution is maintained. This may result in a lowering of the level of investment income.

APPENDIX A

SEFTON COUNCIL STANDARD LENDING LIST POST CREDIT RATING REVISION

<u>UK and International Banks</u> <u>(including Nationwide</u> <u>Building Society</u>	RATING	Individual rating	Support rating
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United Kingdom AAA

Santander UK Requires Council approval	F1 / A+	C-	1
Barclays	F1+ / AA-	B	1
Lloyds TSB/HBOS – nationalised Requires Council approval	F1 / A	C-	1
RBS Group – nationalised Requires Council approval	F1 / A	C-/D+	1
Nationwide Requires Council approval	F1 / A	C-	1
HSBC	F1+ / AA	B	1

Australia AAA

Australia & New Zealand Banking Group	F1+ / AA-	B	1
Commonwealth Bank of Australia	F1+ / AA-	A/B	1
National Australia Bank	F1+ / AA-	B	1
Westpac Banking Group	F1+ / AA-	A/B	1

Canada AAA

Bank of Montreal	F1+ / AA-	B	1
Bank of Nova Scotia	F1+ / AA-	B	1
Canadian Imperial Bank of Commerce	F1+ / AA-	B	1
Royal Bank of Canada	F1+ / AA	A/B	1
Toronto Dominion Bank	F1+ / AA-	B	1

Finland AAA

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<u>UK and International Banks (including Nationwide Building Society)</u>	RATING	Individual rating	Support rating
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Nordea Bank	F1+ / AA-	B	1
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Germany AAA

Deutsche Bank	F1+ / AA-	B/C	1
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Sweden AAA

Svenska Handelsbanken	F1+ / AA-	A/B	
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Switzerland AAA

Credit Suisse	F1+ / AA-	B/C	
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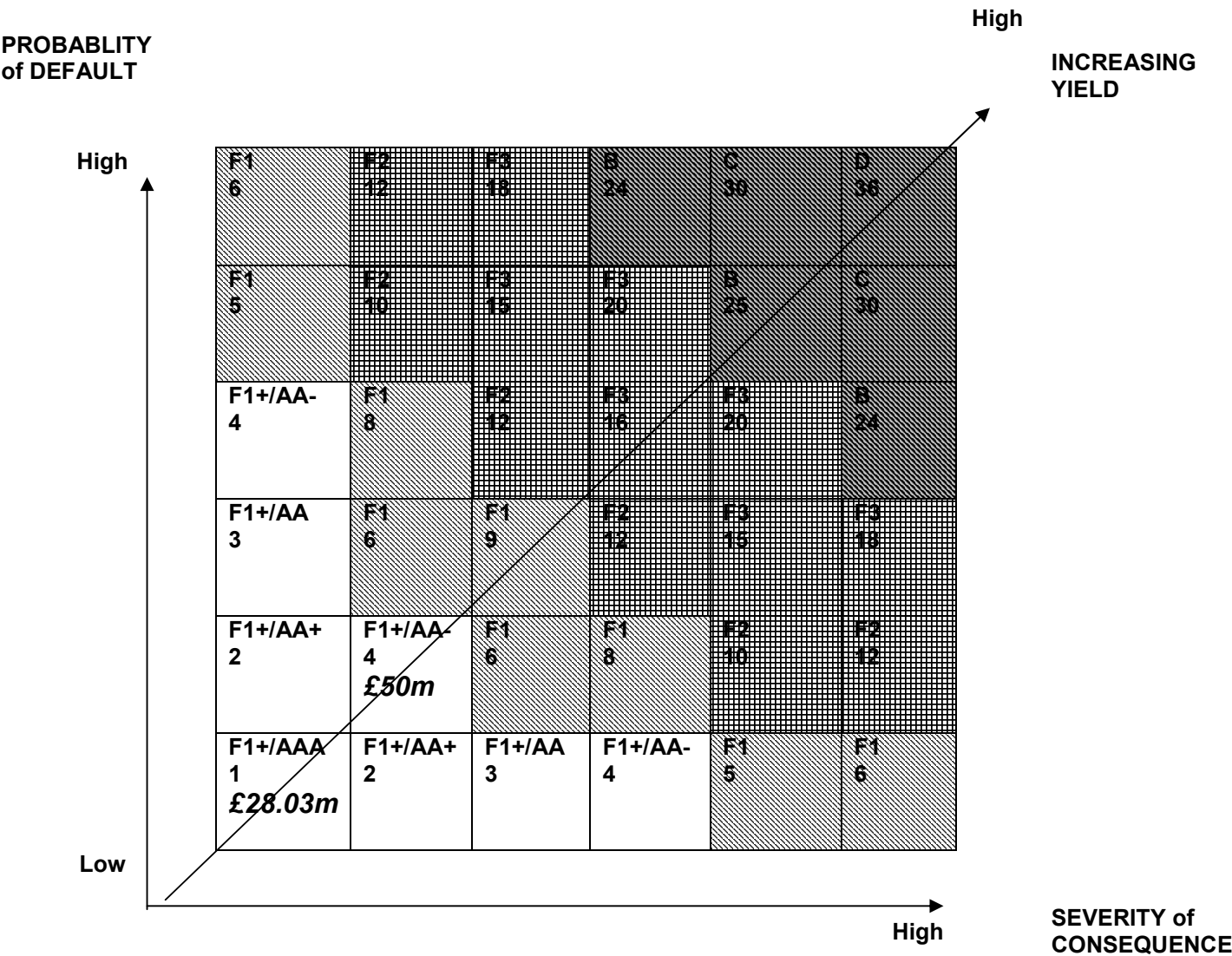
USA AAA

JP Morgan Chase Bank	F1+ / AA-	B	
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The recent economic situation has provided challenges for the Council with regard to its investment strategy. The report presented to Cabinet on 11 June 2009 explained the difficulties in identifying banking institutions to invest in (which provided reasonable investment returns), whilst remaining within the deposit limit of £15m. Consequently, Cabinet agreed to increase the deposit limit from £15m to £25m. As noted in 5.2 above, the Council has remained within an operational boundary of £15m. At present, it is not expected that the operational boundary will be increased to £25m.

Appendix B

RISK ASSESSMENT MATRIX - FITCH RATINGS @ 30/09/2011



SEFTON RISK TOLERANCE	4		INVESTED
LOW RISK	1 - 4	Investment Grade	£78.030m
LOW - MEDIUM RISK	5 - 9	Investment Grade	Nil
MEDIUM RISK	10 - 20	Investment Grade	Nil
HIGH RISK	21 - 36	Speculative Grade	Nil

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Report to: Cabinet **Date of Meeting:** 10 November 2011

Subject: Update report on Sefton New Directions

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

Is this a Key Decision? No

Is it included in the Forward Plan?

No

Exempt/Confidential

No

Purpose/Summary

To provide an update on Sefton New Directions as part of the Council's shareholding interests. In particular the report updates on the current viability and future development.

Recommendation(s)

That the Board of Sefton New Directions be asked to consider and come forward with proposals on the future strategic direction and structure of the company and to provide a progress report to the Cabinet meeting in December 2011 to include any relevant issues for consideration by the shareholder.

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 fulfil a requirement from Council in May 2011 and Cabinet in August 2011, to review the Council's governance of its shareholding in Sefton New Directions.

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To recommend actions to manage the risks relating to Sefton New Directions as the Council is the sole shareholder

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial implications resulting directly from the report. The Medium Term Financial Plan is based on the ability of the Council to commission care services that are at competitive market rates. This report assists the Council in ensuring that one of its key providers is able to deliver within an agreed financial framework.

(B) Capital Costs

Implications:

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

Legal - LD 441/2011

The legal implications are contained and discussed within the contents of the report. The Council holds the shareholding in this company in accordance with its well being powers contained in Section 2 of the Local Government Act 2000. The Council is acting under its powers as a shareholder and exercising those in accordance with the Companies Act 2006 (as amended).

Human Resources

Equality

- | | |
|---|--------------------------|
| 1. No Equality Implication | <input 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:

No impact on service users is anticipated as a direct result of the contents of this report.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 1091) has been consulted on 24 October 2011 and contributed to the analysis of risk for the Council and supports the recommendation. The Head of Legal Services is the report author there is therefore no consultation and consequent LD reference.

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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:

There are no background papers available for inspection.

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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. A number of important decisions were made which are précised below as a reminder. 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:
 - 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.
- 1.2 A short update report was presented to members at the Cabinet meeting on 18 August 2011. In particular reference was made to the discussions that had been on-going between the Company and the Council relating to the outstanding employment claims and the review of staff terms and conditions; and indicated that the negotiations had been productive and positive. It was subsequently resolved that the progress report on Sefton New Directions be noted; and for the Head of Corporate Legal Services be requested to provide quarterly updates to the Cabinet on the Council's shareholding and any other relevant information.

Original Purpose of the Company

- 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 1685 service users. The company operates from 23 bases in the borough, which mostly belong to the Council. The company employs 470 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 personnel matters by the Council's Head of Corporate Personnel under a Service Level Agreement.

Shareholding

- 1.4 The Council is the sole shareholder, in accordance with the Companies Act 2006. The shareholder can ultimately take most decisions in relation to the future of the Company, so long as this is in accordance with the Company's Articles of Association and the requirements of that Act.

Members will recall that through the report to Council on 1 September 2011, that Part 3 of the Constitution which sets out the Responsibility for Functions was amended. In particular Part 4B deals with the matters delegated to Full Cabinet. The amendment clarified the Cabinet's responsibilities for dealing with the Council's shareholding in a company. By providing delegated authority to Cabinet this means that any necessary permissions, consents and decisions as to the future of the shareholding can be taken by Cabinet.

SND Latest Position

- 1.5 Employment Issues

Following extensive consultation with employee representatives, a draft Collective Agreement was put to the combined membership of UNISON and GMB in ballots in October. The overwhelming majority of members of both Trade Unions voted in favour of accepting the proposed changes in employment Terms and Conditions.

The collective agreement includes major changes to Terms and Conditions including pay reductions, voluntary redundancies, changes in working practices and approaches to future recruitment.

It is anticipated that the revised Terms and Conditions of employment that will be introduced, subject to acceptance of settlement offers in respect of employment claims (see below), will provide a significant overall reduction in payroll costs in line with business objectives.

Equal Pay Claims

In tandem with the Terms and Conditions revisions, significant progress has been made on resolving the Equal Pay claims. Following detailed negotiations it is anticipated that a successful outcome and agreement can be reached. The latest position is that subject to the resolution of a one or two individual equal pay queries Offer Letters will be issued to claimants by 1st November and the formal signing of the Collective Agreements will take place at that time.

Service Transformation

The Company continues to identify opportunities to improve performance and quality. Some services are to be merged. The Company is also planning to expand its re-enablement service and is in discussion with other commissioners regarding new work.

SND is currently reviewing opportunities for the development of the workforce to meet anticipated future demands including an Apprenticeship programme, recruitment to a pool of relief staff and engaging with local educational institutions

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with a view to introducing a programme that will help meet the need for practical training for student nursing and social work staff,

Risks

- 1.6 The future sustainability of the Company is cited in the Council's Corporate Risk Register and formed part of the Annual Governance Statement, reported to the Audit and Governance Committee on 28 September 2011.

The Corporate Risk Register identifies the following information:

Cessation of company will lead to:

- i) Council pension liability
- ii) Discontinuity of service for clients
- iii) Budget implications

The actions identified to remedy these issues are:

- i) Renegotiated contracts with SND to ensure longer term commercial viability
- ii) Board directors to agree a new business plan
- iii) Company business plans to be monitored

- 1.7 The Annual Governance Statement re-iterates the risks associated with the governance of the Company.

Way Forward

- 1.8 There has been significant progress on resolving outstanding employment issues in SND. As a result it is now possible to determine the future strategic direction of the company and also to review the shareholding relationships to manage the risks outlined above.

To this end the Cabinet is recommended to request the SND Board to consider and come forward with proposals on the future strategic direction and structure of SND. This may include a review of its Memorandum and Articles, how the Board could be structured, how governance and decision making could be improved and what business areas the company might look to participate in together with ways in which the business could be enhanced and commercialisation increased to generate improved revenues and other tangible benefits for the Council.

- 1.9 Given the issues outlined above, it is important that the Council retains an oversight of its shareholding in the Company. The SND Board should report to the next meeting of Cabinet outlining the scope and timescales for the review. As a minimum it is proposed that quarterly reports be brought to Cabinet reporting on the above issues and any other issues relevant at that time.

By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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